HEALTH SERVICES AND DEVELOPMENT AGENCY FEBRUARY 25, 2015 APPLICATION SUMMARY

NAME OF PROJECT:

Southern Hills Surgery Center

PROJECT NUMBER:

CN1411-047

ADDRESS:

NE Corner of Intersection of Old Hickory Boulevard

and American General Way

Brentwood (Davidson County), Tennessee 37250

LEGAL OWNER:

Surgicare of Southern Hills, Inc.

c/o Southern Hills Medical Center

391 Wallace Road

Nashville (Davidson County), Tennessee 37211

OPERATING ENTITY:

N/A

CONTACT PERSON:

John Wellborn

(615) 665-2022

DATE FILED:

November 14, 2014

PROJECT COST:

\$ 17,357,832

FINANCING:

Cash Reserves

PURPOSE OF REVIEW:

Relocation and replacement of an existing

Ambulatory Surgical Treatment Center (ASTC)

DESCRIPTION:

Southern Hills Surgery Center is seeking approval for the relocation of an existing inactive multi-specialty ambulatory surgical treatment center (ASTC) located at 360 Wallace Road, Nashville (Davidson County) TN to 18,109 SF of newly constructed leased space located at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN. The proposed relocation site is 5.5 miles southwest of the existing ASTC. There will be no change in the existing surgical complement of three operating rooms and two procedure rooms.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

- 2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

The applicant points out that renovation at the current location is not feasible because the building footprint cannot be expanded to increase surgical rooms, recovery and support space to current design and licensure standards. By relocating, the applicant will lease from another wholly owned HCA subsidiary, which will recapture large lease payments within the applicant's own organization.

It appears that the application will meet this criterion.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Fourteen physicians have provided letters supporting the proposed relocation. The applicant projects 3,170 surgical cases during the first year of operation and 3,602 surgical cases in Year 2.

It appears that the application will meet this criterion.

Staff Summary

The following information is a summary of the original application and all supplemental responses. Any staff comments or notes, if applicable, will be in bold italics.

Southern Hills Surgery Center proposes to relocate and re-open its existing inactive ambulatory surgical treatment center 5.5 southwest of its current location. It proposes to move from leased space on Wallace Road on the Tri-Star Southern Hills Medical Center campus to leased space owned by another HCA subsidiary. The proposed site is located on a 53-acre tract of land acquired from AIG that includes several large office buildings. It was acquired in 2014 by HCA subsidiary, Southpoint, LLC. A 14 acre wooded section is available for immediate development. The facility will be located on 3.5 acres of the tract on the east side of American Way, bordered by Old Hickory Boulevard. There will be no change in the number of operating and procedure rooms. The service area of Davidson, Rutherford, and Williamson Counties will remain unchanged as well.

In March, the Agency will consider another HCA project on this same 53-acre tract. The applicant's affiliate, HCA Health Services of Tennessee, Inc. filed an application (Tri-Star Southern Hill Medical Center, CN1412-050) for the establishment of an eight-treatment room satellite emergency department, which will be operated under TriStar Southern Hills Medical Center's 126-bed acute care hospital license. Also heard simultaneously with the Tri-Star Southern Hills ED application will be a similar application for Saint Thomas Hospital, CN1412-049, approximately 1.5 miles from this location.

The existing surgery center has been inactive since 2008. In the supplemental response, the applicant provided the following reasons for the inactive status:

- The depressed economy in 2008 resulted in fewer elective surgeries being requested which resulted in excessive surgical capacity available at both the surgery center and the hospital.
- The active medical staff had fewer surgeons then (20) compared with now (39, including 7 neurosurgeons).
- The hospital had sufficient surgical capacity to absorb the surgery center caseload, so the ASTC operation was suspended.

A public bus line currently provides services to the proposed ASTC site. In addition, TennCare will provide transportation services for TennCare covered services.

If approved, the facility is projected to open at the new location on October 1, 2016. The current site, which is being utilized by the hospital for endoscopies, will simultaneously close and endoscopies will return to the hospital campus.

An overview of the project is provided on pages 5-6 of the original application. The table below provides a brief history of this facility.

History

Instory
Event
Southern Hills Surgery Center, LP (CN0403-025A) was approved for the
development of a new ambulatory surgical treatment center (ASTC) to be
located in a medical office building being constructed on a 3.1 acre tract on
the East Campus of Southern Hills (several blocks to the northeast of the
hospital campus).
Southern Hills Surgery Center, LP (CN412-110A) was approved for a change
of site of the previously approved, but unimplemented CN0403-025A, to a
new location approximately 250 yards to the northeast of the main entrance
of the hospital. This new site was available due to the relocation of a surgery
center (Smyrna Physicians Pavilion Surgery Center, CN0307-050A) to Smyrna
(Rutherford County), TN.
Surgery center opens.
Cessation of outpatient surgical cases
Southern Hills Surgery Center, LP (51% owned by Surgicare of Southern Hills,
Inc. and 49% owned by surgeons on medical staff of Southern Hills Medical
Center) dissolves.
Surgicare of Southern Hills, Inc. becomes the sole owner of Southern Hills
Surgery Center.
Hospital begins utilizing surgery center space for endoscopic surgeries.

Source: CN1411-047 and Tennessee Department of Health

Ownership

- Southern Hills Surgery Center, Inc. is 100 percent owned by HCA Inc., whose parent organization is (through several corporate entities) HCA, Holdings Inc.
- HCA Inc. operates 14 hospitals and several surgery and imaging centers in Tennessee. An organizational chart is enclosed in Attachment A.4.
- The applicant intends to syndicate the ASTC with physicians at the new location with the applicant maintaining majority control (at least 51%).
- If the ASTC is syndicated, the most likely management entity to manage Southern Hills Surgery Center will be HCA's wholly owned Medical Care America.

Facility Information

- The total square footage of the proposed one-story project is 18,109 square feet. A floor plan drawing is included in Attachment B.IV.—Floor Plan.
- The proposed ASTC will contain three operating rooms, two procedure rooms, 13 pre-op, five post-op/recovery stations and shelled space for a future operating room.
- It will also contain a nursing station, sterile and soiled work areas, equipment storage, linen rooms, staff lounge, administration and business offices, reception and waiting area with a pediatric playroom, consulting offices, and staff showers and lockers.
- Operating hours at the new site will be 8:00 a.m. to 4:00 p.m., Monday-Friday.
- Existing operating rooms average 318 SF, which is below current licensure standard of 400 SF.
- New ORs will be 415 SF, which is an increase of 30.5%.

The table below compares the square footage in the existing facility to the proposed facility:

Existing and Proposed OR/PR Square Footage

Location	OR #1 SF	OR #2 SF	OR#3 SF	PR #1 SF	PR #2 SF	Licensure Standard (OR)	Licensure Standard (PR)
360 Wallace Road, Nashville, TN	318	317	321	319	237	400 SF	150 SF
Proposed Location	415	415	415	237	237		

Source: CN1411-047

Project Need

The rationale for the relocation includes:

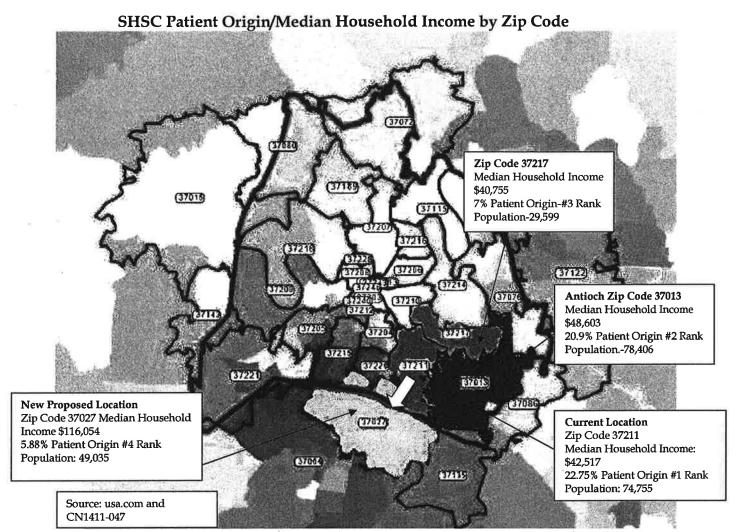
- More efficient design-Expand operating rooms, pre- and postop/recovery spaces and other changes as detailed on page 6 to meet current design and licensure requirements and AIA guidelines.
- Recapture lease payments within their own organization. The facility is currently liable for monthly lease payments of \$30,000 to an unrelated third party lessor. The relocation would permit it to recapture those monthly payments by leasing from HCA affiliate, Southpoint LLC.
- Offer services at a lower cost by moving several thousand surgical cases from the hospital to the surgery center because surgery centers are often reimbursed at 40% less than hospitals for the same surgical case.

 Not specifically addressed but implied is that the new site will be more attractive to physicians who will be potential investors if the surgery center is syndicated

Service Area Demographics

Southern Hills Surgery Center's declared service area is Davidson, Rutherford, and Williamson Counties.

- The total population of the service area is estimated at 1,152,890 residents in calendar year 2014 increasing by approximately 7.1% to 1,235,109 residents in 2018.
- The overall statewide population is projected to grow by 3.7% from 2014 to 2018.
- The 2014 percentage of the service area population enrolled in the TennCare program is approximately 14.9%, as compared to the statewide enrollment proportion of 18.8%.
- Davidson County had an 18.9% TennCare enrollment, Rutherford 13.2% and Williamson reflected the lowest proportion of total population enrolled in TennCare at 4.5%.



The preceding map of the Southern Hills Surgery Center Patient Origin/Median Household map reflects the following:

- The applicant is proposing to move 5.5 miles southwest from Zip Codes 37217, 37013, and 37211 with median household incomes of \$40,755, \$48,603, and \$42,517 to Zip Code 37027 with a Median Household Income of \$116,054.
- According to Southern Hills Surgery Center's 2007 Patient Origin by Zip Code in Supplemental One, approximately 51% of the applicant's patients reside in Zip Codes 37211, 37013, and 37217.
- In 2007, just under 6% of the surgery center's patients resided in Zip Code 37027.
- Based on the US Census 2010 Data, Zip Code 37013 had a population of 78,406, Zip Code 37211-74,755 residents, and Zip Code 37027-49,035 residents.

Southern Hills Surgery Center

Demographic Characteristics of the 4 Top Zip Codes of Patient Origin

Demo	graphic Characteristi				neninnoenosoerint			
			Applicant is moving 5.5 miles SW from these 3 Zip Codes					
	Zip Code of New							
	Proposed Location	Current						
		Location						
	37027	37211	37013	37217	Tennessee			
Applicant's	*5.9%	*22.8%	*21%	*7%	N/A			
Patient Origin								
Population	49,035	74,755	78,406	29,599	6,346,105			
Population Growth	37.17%	15.45%	52.7%	4.62%	11.54%			
since 2000								
Population	890	3,498	1,727	1,857	151			
Density/Sq. mile		64						
Median Household	\$116,054	\$42,517	\$48,603	\$40,755	\$44,140			
Income								
Median Home Price	\$446,800	\$163,400	\$146,900	\$131,500	\$138,700			
Population in	1,362	17,434	10,152	6,090	1,069,017			
Poverty	(2.75%)	(23.9%)	(12.75%)	(21%)	(17.3%)			
White	43,771	45,496	37,376	16,277	4,921,948			
	(89%)	(60.1%)	(47.7%)	(55%)	(77.6%)			
Black	43,771	13,863	27,740	8,154	1,057,315			
	(3.6%)	(18.5%)	(35.4%)	(27.6%)	(16.7%)			
Hispanic	1,095	15,956	13,812	6,038	290,059			
W 60	(2.23%)	(21.3%)	(17.6%)	(20.4%)	(4.57%)			
Asian	2,479	4,162	3,120	642	91,242			
	(5.1%)	(5.57%)	(4%)	(2.8%)	(1.44%)			

Source: usa.com *Patient Origin from 2007 Data

Historical and Projected Utilization

The utilization table below reflects the following:

- There was a 5.5% increase in surgical cases at Southern Hills Medical Center from 3,611 in 2007 to 3,810 in 2014.
- The applicant projects an increase of 13.6% in cases from 3,170 in Year 1 (2017) to 3,602 in Year 2 (2018).
- In Year Two (2018) of the proposed project Southern Hills Medical Center will operate at 505 surgical cases per room, while Southern Hills Surgery Center will be operating at 720 surgical cases per room.

Actual and Projected Surgical Utilization: 2007-2017
Southern Hills Medical Center and Southern Hills Surgery Center

	Sout		ilis ivicu.					Juige	, -		
		2007	2008	2009	2010	2011	2012	2013	2014	2017	2018
										Year :	l Year 2
Hospital	#ORs	9	9	9	9	9	9	9	8	8	8
	#PRs	1	1	1	1	1	1	1	1	1	1
	Cases	3,611	3,544	3,741	3,332	3,158	3,459	3,608	3,810	3,974	4,549
	Inpatient	1,312	1,247	1,133	970	883	1,170	1,217	1,391	1,564	1,627
	Outpatient	2,299	2,297	2,608	2,362	2,275	2,289	2,391	2,419	2,410	2,922
	Cases/room	361	354	374	333	316	346	361	423	442	505
			21.9								
ASTC	#ORs	3	3	3	3	3	3	3	3	3	3
	#PRs	2	2	2	2	2	2	2	2	2	2
	Cases	2,519	1,390	0	0	*2,206	*2,351	*2,459	*2,429	3,170	3,602
	Cases/room	504	556	0	0	441	470	492	486	634	720

Source: SHMC Internal Records

According to the Department of Health, of the thirty-four (34) licensed ASTCs in 2013 in the defined service area, twenty-three (23) facilities are single-specialty ASTCs and eleven (11) multi-specialty ASTCs.

3 County Service Area Patient Utilization 2009-2012 (Duplicated)

				2009-201	LZ (Dup	ncated)		197		
			2011			2012			2013		%
County	**ASTC	Oper. Rms/	Proc. Rms	Cases	Oper. Rms/	Proc. Rms	Cases	Oper. Rms/	Proc. Rms	Cases	change 11'-13'
Davidson	Single-Specialty	12	30	41,056	12	30	40,620	12	31	39,749	-3.2%
	Multi-specialty	43	9	47,762	46	9	46,068	46	9	45,985	-3.7%
	Total	55	39	88,818	58	39	86,688	58	40	85,734	-3.5%
Rutherford	Single-Specialty	1	2	268	1	2	1,190	1	2	1,688	+529%
	Multi-specialty	14	5	16,895	13	5	17,338	13	5	18,105	+7.2%
	Total	15	7	17,163	14	7	18,528	14	7	19,793	+15.3%
Williamson	Single-Specialty	0	3	2,802	0	4	2,962	2	4	2,971	+6%
	Multi-specialty	9	2	9,911	5	1	7,292	5	1	7,780	*-21.5%
	Total	9	4	12,713	5	5	10,254	7	5	10,751	<i>-</i> 15.4%
Service Area	Single-Specialty	13	35	44,126	13	36	44,772	15	37	44,408	+0.6
	Multi-specialty	66	16	74,568	64	15	70,698	64	15	71,870	-3.6%
	Grand Total	79	51	118,694	77	51	115,470	79	52	116,278	-2.0%

Source: Tennessee Department of Health, Division of Health Statistics, Joint Annual Reports

Source: 2011-2013 ASTC JARs

^{*}ASTC utilization for the Years 2011-2014 represented endoscopic surgeries performed as a department of Southern Hills Medical Center in the ASTC space vacated by Southern Hills Surgery Center.

^{*}Williamson Surgery Center closed in 2011 (4 ORs, 1 Procedure room/, 3,410 cases in 2011) and became part of Williamson Medical Center.

^{**}ASTC JARs do not report patients by OR or Procedure room

The above utilization table reflects the following:

- Overall, the three county proposed service area experienced a 2% decrease in surgical cases from 118,694 in 2011 to 116,278 in 2013.
- Single-Specialty ASTCs experienced a 0.6% increase in volume from 44,126 cases in 2011 to 44,408 cases in 2013. In comparison, Multi-Specialty ASTCs experienced a 3.6% decrease from 74,568 cases in 2011 to 71,870 cases in 2013.
- ASTCs located in Rutherford County experienced a 15.3% increase in total surgical cases from 17,163 in 2011 to 19,793 in 2013.
- Single-Specialty ASTC's located in Williamson County outpaced multispecialty ASTCs with an increase of 6% in surgical cases from 2011 to 2013 versus a decrease of 21.5% for multi-specialty ASTCs.
- ASTCs located in Davidson County accounted for 74% of the three county ASTC surgical volume and experienced a decrease in surgical cases of 3.5% from 2011 to 2013.

Southern Hills Medical Center Surgical Capacity Analysis-2013

CY2013	No. of	Procedures	Procedures	Minutes	Average	Total	Schedulable	% of
	Rooms		/	Used	Turnaround	Room	minutes*	Schedulable
			Room		Time	Minutes		Time Used
						Used		
Operating	8**	3,335	417	436,314	110,055	546,369	960,000	57%
Rooms					(33)			
Endoscopy	3***	2,429	810	71,172	36,435	107,607	360,000	30%
Procedure					(15)			
Rooms								
Subtotal	11	5,764	524	507,486	146,490	653,976	1,320,000	50%
Cystoscopy	1	273	273	13,632	9,009	22,641	120,000	19%
Rooms			71		(33)			
Total	12	6,037	503	521,118	155,499	676,617	1,440,000	47%
Surgical								
Suite								

^{*} defined as the summation of the minutes by each room available for scheduled cases, applicant based surgical room capacity on 8 hours per day per room, 250 days per year which represent 120,000 minutes.

The above utilization table reflects the following:

- The eight operating rooms located at Southern Hills Medical Center operated at 57% capacity in 2013.
- Endoscopy procedures performed by Southern Hills Medical Center in the Southern Hills Surgery Center's (ASTC) three procedure rooms operated at 30% of available scheduled time.

^{**}The hospital JAR reports nine O.R.s and one cystoscopy room, but one O.R. is not schedulable due to being too long and narrow to accommodate the surgical rooms and their equipment.

^{***}The three endoscopy rooms are located in the ASTC building.

- The endoscopy procedures performed by Southern Hills Medical Center in the Southern Hills Surgery Center's (ASTC) represented 40% of the overall procedures performed by Southern Hills Medical Center in 2013 (2,429/6,037).
- Overall, the total percentage of schedule time used by Southern Hills Medical Center for surgical procedures in 2013 equaled 47%.

Projected Specialty Mix (Year One)

The expected physician specialty mix in Year 1 for Southern Hills Surgery Center is reflected in the following chart.

Southern Hills Surgery Center Specialty Mix Year One

Specialty	Patients	Percent Patient
Ophthalmology (non	370	11.7 %
cataract)		
ENT	282	8.9%
General Surgery	1,584	50%
Gynecology	88	2.8%
Spine	327	10.3%
Orthopedics	105	3.3%
Pain Management	264	8.3%
Plastics	150	4.7%
Total	3,170	100.0%

Source: CN1411-047

- General Surgery patients will total 1,584 patients, or 50% of all surgeries, that will be provided in Year 1.
- The next largest specialty utilizations are Ophthalmology (11.7%) and Spine (10.3%).
- The top five specialties: General Surgery, Ophthalmology, Spine, ENT, and Pain Management account for over 89% of the surgical utilization at the applicant ASTC.

Project Cost

Major costs are:

- Construction, \$4,074,525 or 23.5% of total cost
- Facility Lease for building and site cost, \$8,075,220, or 46.5% of the total cost.
- An affiliated HCA company, Southpoint LLC, will construct and lease a shelled building to the applicant. Surgicenter of Southern Hills, Inc. will lease, finish out, and equip the building.

- \$9,282,612 is the actual capital costs for the applicant, and \$5,575,220 is the actual capital cost for the development for the building development.
- For other details on Project Cost, see the Project Cost Chart on page 39 of the application.

Note to Agency members: The applicant used the value of the building-\$5,575,220 and land value-\$2,500,000, which totaled \$8,075,220, which was greater than leases cost of \$5,812,783, to determine the amount to allocate for the building in the Project Costs Chart. Agency Rule 0720-9-.01(4) (c) states ".....In the case of a lease, the cost is the fair market value of the lease or the total amount of the lease payment, whichever is greater."

The total construction cost for the proposed ASTC is \$360 per square foot. As reflected in the table below, the total construction cost is above the 3rd quartile of \$223.62 per square foot of statewide ASTC construction projects from 2011 to 2013. In the supplemental response, the applicant indicates the higher construction cost is attributed to increasing costs and very high design standards.

Statewide
ASTC Construction Cost per Square Foot
Years 2011-2013

	Renovated	New	Total
	Construction	Construction	Construction
1st Quartile	\$95.04/sq. ft.	\$174.88/sq. ft.	\$113.55/sq. ft.
Median	\$113.55/sq. ft.	\$223.62/sq. ft.	\$162/sq. ft.
3rd Quartile	\$150/sq. ft.	\$269.76/sq. ft.	\$223.62/sq. ft.

Please refer to the square footage and cost per square footage chart on page 000011 of the original application for more details.

Financing

- The source of funding for the project is identified as a cash transfer from the applicant's parent (HCA Holdings, Inc.) to the applicant's division office (TriStar Health System).
- A November 14, 2014 letter signed by the President and Chief Financial Officer of TriStar Health System attests to HCA's ability to finance the project.
- Review of the HCA's Holdings financial statement as of 12/31/13 revealed cash and cash equivalents of \$414,000,000, current assets of \$8,037,000,000 and current liabilities of \$5,695,000,000 for a current ratio of 1.41 to 1.0.

Note to Agency Members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities, which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Historical Data Chart

- The last year of operation of Southern Hills Surgery Center was 2007.
- Southern Hills Surgery Center reported a net operating loss of (\$773,645) in its 2007 fiscal year period, a margin of approximately (6.1%) of gross operating revenues.
- Gross Operating Revenue was reported as \$12,590,634 in 2007.

Projected Data Chart

The applicant projects \$28,043,009 in total gross revenue on 3,170 surgical cases during the first year of operation and \$32,345,061 on 3,602 surgical cases in Year 2 (approximately \$8,980 per case). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal \$116,527 in Year 1 increasing to \$241,976 in Year 2.
- Net operating revenue after bad debt, charity care, and contractual adjustments is expected to reach \$5,045,799 or approximately 15.6% of total gross revenue in Year 2.
- Charity Care calculates to 16 cases in Year 1 and 18 cases in Year 2.

Charges

In Year 1 of the proposed project, the average surgical case charges are as follows:

- The proposed average gross charge is \$8,847/ surgical case in 2017.
- The average deduction is \$7,467/surgical case, producing an average net charge of \$1,380/surgical case.

Medicare/TennCare Payor Mix

- TennCare- Charges will equal \$3,393,204 in Year 1 representing 12.1% of total gross revenue.
- Medicare- Charges will equal \$4,851,441 in Year 1 representing 17.3% of total gross revenue.

Staffing

The applicant's proposed direct patient care staffing in Year 1 includes the following:

- 6.5 Registered Nurses, and
- 3.5 Surgical Techs

Licensure/Accreditation

Southern Hills Surgery Center is licensed by the Tennessee Department of Health. The last survey of Southern Hills Surgery Center conducted by the Tennessee Department of Health occurred on October 6, 2006. In supplemental #1, the applicant indicated results of the October 6, 2006 survey could not be located in the facility archives.

Southern Hills Surgery Center will pursue re-accreditation by the AAAHC (Accreditation Association for Ambulatory Health Care).

The applicant has submitted the required corporate documentation, real estate option to lease and requisite demographic information for the applicant's proposed service area. HSDA staff has reviewed these documents. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency office.

Should the Agency vote to approve this project, the CON would expire in two years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied applications, pending applications, or outstanding Certificates of Need for this applicant.

HCA has financial interests in this project and the following:

Denied Applications:

Summit Medical Center, CN1206-029D, was denied at the September 26, 2012 Agency meeting. The application was for the for the establishment of a 20 bed acute inpatient rehab unit and service in its hospital facility by converting 20 adult psychiatric beds and reclassifying the adult psychiatric unit to an inpatient rehabilitation unit. The estimated cost was projected to be \$2,500,000.00. Reason for Denial: The application did not meet the statutory criteria.

Pending Applications

TriStar Southern Hills Medical Center Emergency Room, CN1409-050, has an application that will be heard at the March 25, 2015 Agency meeting for the establishment of a satellite emergency department facility in a leased building to be constructed. The facility will contain 8 treatment rooms for emergency services at an unaddressed site at the Intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN 37250. The estimated project cost is \$11,500,000.00.

Outstanding Certificates of Need

Parkridge Medical Center Inc., CN1408-35A, has an outstanding Certificate of Need that will expire on December 1, 2017. The project was approved at the October 22, 2014 Agency meeting for the acquisition of a second magnetic resonance imaging (MRI) unit for installation and use in 1,202 square feet of renovated space on the main campus of Parkridge Medical Center (PMC) at 2333 McCallie Avenue, Chattanooga (Hamilton County), TN. The estimated project cost was \$2,968,942.00. Project Status Update: The project was recently approved.

Centennial Medical Center, CN1407-032A, has an outstanding Certificate of Need that will expire on December 1, 2017. The project was approved at the October 22, 2014 Agency meeting for the renovation of the main emergency department, the development of a Joint Replacement Center of Excellence with 10 additional operating rooms; and the increase of the hospital's licensed bed complement from 657 to 686 beds. The estimated project cost was \$96,192,007.00. Project Status Update: The project was recently approved and is being appealed.

Skyline Medical Center, CN1406-020A, has an outstanding Certificate of Need that will expire on November 1, 2017. It was approved at the September 24, 2014 Agency meeting to increase the licensed bed capacity at the hospital's campus by 10 beds. The beds will be utilized as medical-surgical and intensive care beds. The beds will be added by renovating existing space at the main campus which is located at 3441 Dickerson Pike, Nashville (Davidson County), TN. Simultaneously, 10 licensed beds will be closed at the Skyline satellite campus at 500 Hospital Drive, Madison (Davidson County), TN. TriStar Skyline Medical Center is currently licensed as an acute care hospital with 385 hospital beds. This project will increase beds at the main campus from 213 to 223 beds, and will reduce the satellite campus from 172 to 162 beds, so that the consolidated 385-bed licensed will not change. The estimated project cost was \$3,951,732.00. Project status update: This project was recently approved.

Summit Medical Center, CN1402-004A, has an outstanding Certificate of Need that will expire on July 1, 2017. It was approved at the May 28, 2014 agency meeting for the addition of eight (8) medical/surgical beds increasing the hospital's licensed bed complement from one hundred eighty-eight (188) to one hundred ninety-six (196) total licensed beds. The new beds will be located in renovated space on the 7th Floor of the hospital in space to be vacated by the hospital's Sleep Lab which will be relocated to the adjacent Medical Office Building on the hospital campus. The estimated project cost was \$1,812,402.00. Project Status Update: A representative of Summit Medical Center advised on 2/9/2015 the eight (8) medical/surgical beds were placed into service December 1, 2014. A Final Project Report is pending.

Hendersonville Medical Center, CN1302-002A, has an outstanding Certificate of Need that will expire on August 1, 2016. It was approved at the June 26, 2013 Agency meeting to construct a new fourth floor of medical surgical beds and initiate Level IIB Neonatal Intensive Care services in a new six (6) licensed bed Level IIB Neonatal Intensive Care Unit (NICU) on its campus at 355 New Shackle Island Road, Hendersonville (Sumner County) Tennessee, 37075. The proposed project will not change the total licensed bed complement. The hospital currently holds a single consolidated license for 148 general hospital beds, of which 110 are located at its main Hendersonville campus and 38 are located at its satellite campus at 105 Redbud Drive, Portland (Sumner County), TN 37148. The applicant will relocate 13 beds from the satellite campus to the main campus, resulting in 123 licensed beds at the Hendersonville campus and 25 licensed beds at the Portland satellite campus. The estimated cost of the project was \$32,255,000.00. Project Status: Per an Annual Progress Report dated February 5, 2015 e-mail, the full project is underway with construction projected to take 10 months to finish new construction.

Parkridge Valley Hospital, CN1202-006AM has an outstanding Certificate of Need that will expire on July 1, 2015. The CON was approved at the May 23, 2012 Agency meeting for (1) the addition of sixteen (16) additional child and adolescent psychiatric beds to the sixty-eight (68) beds currently located on the satellite campus at 2200 Morris Hill Road, Chattanooga (Hamilton County) and (2) the relocation of all forty-eight (48) of its licensed adult psychiatric beds to a new campus. The current licensed hospital bed complement at Parkridge Valley Hospital, which is a satellite location of Parkridge Medical Center, will decrease from one hundred sixteen (116) beds to eighty-four (84) beds. The net result of this application is that only child and adolescent psychiatric beds will operate at this location. The estimated project cost was \$143,000.00. Project Status Update: The project cost was modified at the January 22, 2014 Agency meeting to a revised amount of \$706,006. A representative of Parkridge advised on 10/27/14 that construction

started in August 2014 and renovations of the facility are in progress. Reconfiguration of the facility and life safety enhancements have been completed with the result that the facility has been converted to use by children and adolescents in all semi-private rooms (industry norm is 2 adolescents per room). The representative stated that Parkridge is on track to complete the project by early November 2014 within the \$706,006 total estimated project cost.

Natchez Surgery Center, CN1002-011A, has an outstanding Certificate of Need that will expire on July 1, 2015. It was approved at the May 26, 2010 Agency meeting for the establishment of an ambulatory surgical treatment center (ASTC) with three (3) operating rooms and three (3) procedure rooms. After approval, CN801-001A was surrendered which was a similar facility for this site at 107 Natchez Park Drive, Dickson (Dickson County), TN. The estimated cost of the project was \$13,073,892.00. Project Status: A representative of Natchez Surgery Center advised on 02/09/2015 the Natchez Surgery Center is expected to be located in the same building, directly above the freestanding emergency department. The surgery center will be phase II of the construction project that is expected to commence after the completion of the freestanding emergency department. TriStar Horizon expects to open the freestanding emergency department before July, 2015. Due to the staging of these projects, a short extension of the CON may be necessary.

Horizon Medical Center Emergency Department, CN1202-008A, has an outstanding Certificate of Need that will expire on July 1, 2015. The CON was approved at the May 23, 2012 Agency meeting to establish a satellite emergency department facility located at its Natchez Medical Park campus located at 109 Natchez Park Drive, Dickson (Dickson County). Estimated project cost was \$7,475,395. Project Status Update: According to an 02/09/2015 update, the Horizon Medical Center Freestanding Emergency Department is under construction with an expected completion date of June 8th, 2015. TriStar Horizon expects to open the freestanding emergency department before July, 2015.

<u>CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA</u> FACILITIES:

There are no Letters of Intent, denied applications, or pending applications for similar service area entities proposing this type of service.

Outstanding Certificates of Need

Saint Thomas Midtown Hospital, CN1401-001A, has an outstanding Certificate of Need which will expire on June 1, 2017. It was approved at the April 23, 2014 Agency meeting for the renovation of surgical suites, patient care areas, and

support space for the realignment and consideration of total joint replacement services at Saint Thomas Midtown Hospital located at 2000 Church Street, Nashville (Davidson County), TN. The estimated project cost was \$25,832,609.00. Project Status: A 2/4/2015 email from a representative of Saint Thomas Midtown Hospital indicates the project remains on schedule and on budget and is expected to be complete in September 2015.

Baptist Plaza Surgicare, CN1307-029A, has an outstanding Certificate of Need which will expire on December 1, 2015. It was approved at the October 23, 2013 Agency meeting for the relocation and replacement of the existing ASTC from 2011 Church Street Medical Plaza I Lower Level, Nashville (Davidson County) to the northeast corner of the intersection of Church Street and 20th Avenue North Nashville, (Davidson County). The facility will be constructed in approximately 28,500 SF of rentable space in a new medical office building and will contain nine (9) operating rooms and one (1) procedure room. The estimated project cost was \$29,836,377.00. A 2/9/2015 email from a representative of Baptist Plaza Surgicare indicates pre-construction is underway and that construction is expected to commence during Summer 2015.

Maxwell Aesthetics, PLLC, CN1303-009A, has an outstanding Certificate of Need that will expire on June 1, 2015. It was approved at the April 27, 2013 Agency meeting for the construction, development, and establishment of an ambulatory surgical treatment center (ASTC) limited to plastic surgery with one (1) operating room. The estimated project cost was \$1,322,564.00. Project Status: The project is on the February 25, 2015 HSDA Agenda to request a 2 year extension of the CON expiration date.

Williamson County Hospital District d/b/a Williamson Medical Center, CN1210-048A, has an outstanding Certificate of Need which will expire on March 1, 2017. It was approved at the January 23, 2013 Agency meeting for the construction and renovation project that will renovate and expand surgery and surgery support areas on the east side of the main hospital building and construct a three-story addition on the west side of the main hospital building for pediatric services and shelled space for future relocation of obstetrics services. The estimated project cost was \$67,556,801.00. Project Status: A 2/4/2015 email from a representative of Williamson Medical Center indicated the East Tower is scheduled to be complete in March 2015 and the West Tower will be complete in April 2015. Williamson Medical Center will then begin the renovation phase of the OR space. The project remains on schedule.

Franklin Endoscopy Center, CN1209-046A, has an outstanding Certificate of Need that expires on February 1, 2015. It was approved at the December 12, 2012

Agency meeting for the relocation of an existing single specialty ambulatory surgical treatment center (ASTC) limited to endoscopic procedures, located at 740 Cool Springs Boulevard, Suite 210B, Franklin (Williamson County), TN to 10,000 feet of newly constructed space located at 9160 Carothers Parkway, Franklin (Williamson County), TN. The proposed relocation site will be located 1.5 miles from the existing ASTC. The applicant is seeking the addition of two (2) multispecialty outpatient surgery operating rooms thereby converting a single-specialty (endoscopy) surgery center into a multispecialty surgery center. The estimated project cost is \$ \$7,420,105.00. Project Status: According to a 02/11/15 email from a representative of the applicant the project was completed during July, 2014. The Final Project Report is pending.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME 02/03/15

LETTER OF INTENT

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Davidson County, Tennessee, on or before November 10, 2014, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Southern Hills Surgery Center (an ambulatory surgical treatment center), owned and managed by Surgicare of Southern Hills, Inc. (a corporation), intends to file an application for a Certificate of Need to relocate from 360 Wallace Road, Nashville, TN 37211, to leased space in a building to be constructed at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American General Way, in Brentwood, Tennessee 37250. This site is within Davidson County, adjoining Old Hickory Boulevard less than a mile east of the intersection of Old Hickory Boulevard and I-65. The facility will contain the same capacity as it does at its current location--three operating rooms and two procedure rooms. The project cost is estimated at \$17,500,000, which includes the value of the land and building that will be leased. The facility is currently licensed as an Ambulatory Surgical Treatment Center by the Board for Licensing Health Care Facilities; and that licensure will continue at the new location. The project will not contain major medical equipment and will not affect any licensed bed complements.

The anticipated date of filing the application is on or before November 14, 2014. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

(Date)

jwasg(<u>w</u>comca

(E-mail Address)

COPY
-Application
Southern Hills
Surgery Ctr.

CN1411-047

SOUTHERN HILLS SURGERY CENTER

CERTIFICATE OF NEED APPLICATION TO RELOCATE WITHIN SOUTH DAVIDSON COUNTY

Submitted November 2014

PART A

1. Name of Facility, Agency, or Institution

Southern Hills Surgery Center		
Name		
NE Corner of Intersection of Ole	d Hickory Boulevard & American	n General Way
		Davidson
Street or Route		County
Brentwood	TN	37250
City	State	Zip Code

2. Contact Person Available for Responses to Questions

John Wellborn	Consultant				
Name	Title				
Development Support Group	jwdsg@comcast.net				
Company Name	E-Mail Address				
4219 Hillsboro Road, Suite 210	Nashville	TN	37215		
Street or Route	City	State	Zip Code		
CON Consultant	615-665-2022		615-665-2042		
Association With Owner	Phone Number		Fax Number		

3. Owner of the Facility, Agency, or Institution

Surgicare of Southern Hills, Inc. c/o Southern Hills	615-781-4150	
Name		Phone Number
391 Wallace Road		
Street or Route		County
Nashville	TN	37211
City	State	Zip Code

4. Type of Ownership or Control (Check One)

		F. Government (State of TN or	
A. Sole Proprietorship		Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)	X	I. Other (Specify):	
E. Corporation (Not-for-Profit)			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

5. Name of Management/Operating Entity (If Applicable) NA

Maria		
Name		
Street or Route		County
City	State	Zip Code

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership		D. Option to Lease /10 years	X
B. Option to Purchase		E. Other (Specify):	
C. Lease of Years	P	(* ·	

7. Type of Institution (Check as appropriate—more than one may apply)

A. Hospital (Specify): General		I. Nursing Home	
B. Ambulatory Surgical Treatment			
Center (ASTC) Multi-Specialty	X	J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional		P. Other Outpatient Facility	
Habilitation Facility (ICF/MR)		(Specify):	
		Q. Other (Specify):	

8. Purpose of Review (Check as appropriate—more than one may apply

9	ž:	G. Change in Bed Complement Please underline the type of Change:	
		Increase, Decrease, Designation,	
A. New Institution		Distribution, Conversion, Relocation	
B. Replacement/Existing Facility	X	H. Change of Location	X
C. Modification/Existing Facility		I. Other (Specify):	
D. Initiation of Health Care Service			
as defined in TCA Sec 68-11-1607(4)			
(Specify)		E-	
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. Bed Complement Data

NA

(Please indicate current and proposed distribution and certification of facility beds.)

Trease marcule current und	11 12	CON			
		approved			
	Current	beds		Beds	TOTAL
	Licensed	(not in	Staffed	Proposed	Beds at
	Beds	service)	Beds	(Change)	Completion
A. Medical			-		
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU		4			œ
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric	-				
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation		+			
L. Nursing Facility					
(non-Medicaid certified)					
M. Nursing Facility Lev. 1	0				
(Medicaid only)		ж.		*	
N. Nursing Facility Lev. 2					
(Medicare only)					in in
O Nursing Facility Lev. 2	1				
(dually certified for					
Medicare & Medicaid)	V				
P. ICF/MR				211	
Q. Adult Chemical					
Dependency					
R. Child/Adolescent	3	9			
Chemical Dependency					
S. Swing Beds					
T. Mental Health					
Residential Treatment					
U. Residential Hospice					
TOTAL					

10. Medicare Provider Number: 3739642
Certification Type: ambulatory surgical treatment center

11. Medicaid Provider Number: 411-1186
Certification Type: ambulatory surgical treatment center

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

This is an existing ambulatory surgical treatment center (ASTC) with existing Medicare and Medicaid certifications.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? Yes IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

Table One: Contractual Relationships with Service Area MCO's		
Available TennCare MCO's	Applicant's Relationship	
AmeriGroup or BlueCare	to be contracted	
nited Healthcare Community Plan (formerly AmeriChoice)	to be contracted	
TennCare Select	to be contracted	

This ASTC temporarily suspended performing its own cases in 2008, and currently has no MCO contracts in place. But its facility is being used by TriStar Southern Hills Medical Center for hospital-registered endoscopy cases; and that hospital is is contracted with all area MCO's through master contracts between the MCO's and TriStar Health System, its Division office. The TriStar Division contracts cover all HCA hospitals and surgery centers in Middle Tennessee. The agreements allow all new HCA facilities to be added to the contract automatically. So this proposed ASTC facility at its new location will automatically enter into those contracts. The Division contracts also cover all three Statewide MCO's that will be in effect in January of 2015.

SECTION B: PROJECT DESCRIPTION

B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

- The project is to relocate and re-open an existing licensed ambulatory surgical treatment center (ASTC), at the same surgical room capacity, under the same ownership, and 5.5 miles southwest, within the same county. Southern Hills Surgery Center, wholly owned by HCA subsidiaries, and associated with TriStar Southern Hills Medical Center, proposes to move from leased space on Wallace Road to south Davidson County, where it will occupy leased space in a building owned by another HCA subsidiary. It was licensed at its current location in 2005.
- The relocated facility will have the same surgical room complement (5 rooms) that it has at its current location. It will have 3 operating rooms and 2 procedure/treatment rooms. At the new building, this ASTC will be larger in overall size; it will have more pre-op and post-op/recovery spaces; it will have larger operating rooms; it will bring itself into compliance with current and proposed codes and licensure standards for ASTC's.
- The applicant wholly owns the current ASTC operation on Wallace Road. Before 2008, when it moved its cases back into TriStar Southern Hills Medical Center, this ASTC was syndicated with TriStar's surgeons; and the applicant intends to syndicate it again at an owned site, based on strongly expressed physician interest. The applicant will retain majority ownership in such a syndication. The facility is not under a management contract currently, but will be if a future syndication occurs. The management entity at that time has not been identified; but it will be a wholly-owned HCA affiliate in order to keep revenues within the HCA organization.

Ownership Structure

- As explained in B.II.A below (page 13), Southern Hills Surgery Center, Inc. is wholly owned by HCA, Inc. through a series of wholly owned HCA subsidiaries. The applicant intends to syndicate the ASTC with physicians at the new location, but if that occurs, the applicant will maintain majority (51% or more) control of the facility.
- Attachment A.4 contains more details, an organization chart, and information on the Tennessee facilities owned by this facility's parent organization.

Service Area

• The current primary service area of the hospital, its surgical staff, and its outpatient surgery cases, is a three-county area consisting of Davidson, Williamson, and Rutherford

Counties, which are within several miles of the hospital and its ASTC. The applicant projects that since most caseloads of the ASTC will be outpatient cases relocated from TriStar, the relocated ASTC will continue to have the same primary service area counties as the hospital.

Need

- The project is needed to improve space available for patient care and support. The ASTC needs to enlarge its operating rooms, increase its pre- and post-op/recovery spaces, improve its air handling systems, and make other changes to conform to current design standards of the industry, State licensure, and the latest AIA Guidelines. The existing facility is in a building that the applicant does not own, and cannot expand. A relocation is appropriate to enlarge this facility by almost 40%.
- Currently the ASTC is liable for monthly lease payments of approximately \$30,000. These are payments being lost to an unrelated third party lessor. HCA needs to recapture lease payments within its own organization, by moving this ASTC into property owned by an HCA affiliate. HCA's wholly-owned affiliate, Southpoint, LLC, has acquired property in south Davidson County, where it proposes to construct an ASTC building for lease to the CON applicant. If the applicant delays relocation, the ASTC risks becoming a captive tenant at a disadvantage in negotiating an extension of its lease on Wallace Road.
- The relocation of cases will save money for insurors. Currently these cases are being performed by the hospital, not by its ASTC. By moving several thousand cases into the proposed Brentwood ASTC, a much lower Medicare reimbursement schedule will apply (because ASTC's are often reimbursed at 40% less than hospitals, for the same surgical case).

Existing Resources

• There are no multispecialty surgery centers located in south Davidson County near Brentwood, a major population growth center for the Nashville area. The closest ones are in Franklin and Nashville. Within the three primary service area counties (Davidson, Williamson, and Rutherford), the applicant has identified 32 single-specialty and multispecialty ASTC's that perform cases of the type projected for this project. The great majority of them are concentrated in Nashville and Murfreesboro.

Project Cost, Funding, Financial Feasibility, Staffing

- The project cost for CON purposes (which includes the value of the leased building and its land) is estimated at \$17,357,832, of which \$9,282,612 is the actual capital cost for the applicant, and \$5,575,220 is the actual capital cost for the building developer/lessor. Both components will be funded by a cash transfer from HCA Holdings through HCA's local Division, TriStar Health System. The projected income and expense for the project indicate financial feasibility and positive cash flow.
- The project will be staffed with 22 FTE's recruited by HCA from local sources, including TriStar Southern Hills Medical Center.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 et seq.) INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.

Overview

The project will replace and relocate a licensed HCA ambulatory surgical treatment facility ("ASTC") named Southern Hills Surgery Center. The proposed site is approximately 5.5 miles west of the facility's current location across the street from TriStar Southern Hills Medical Center, with which the ASTC is affiliated. The current location and the proposed location are both in far south Davidson County.

The project will not change the ASTC's scope of services, or its surgical capacity. The current facility is a licensed multi-specialty center with three operating rooms and two procedure rooms. The proposed facility will have the same authorized scope of services and the same surgical capacity.

There will be no change in the ASTC's primary service area counties. Tristar Southern Hills Surgery Center and Southern Hills Surgery Center have historically drawn most (85%) of their outpatient surgical utilization from Davidson, Williamson, and Rutherford Counties. This will continue at the new location.

There will be no change in ultimate ownership, or in operational control. The ASTC is part of the HCA group of acute care facilities in Davidson County and will remain under HCA control. The ASTC is operationally associated with HCA's TriStar Southern Hills Medical Center, whose surgical staff will also be the surgical staff of the ASTC at its new location. The ASTC at its current location does not have a management contract with any external (non-affiliated) company, and does not project having that at the new location. (If and when it is syndicated with its surgical staff, the ASTC will have a management contract, but only with a wholly-owned HCA subsidiary.)

Site Information

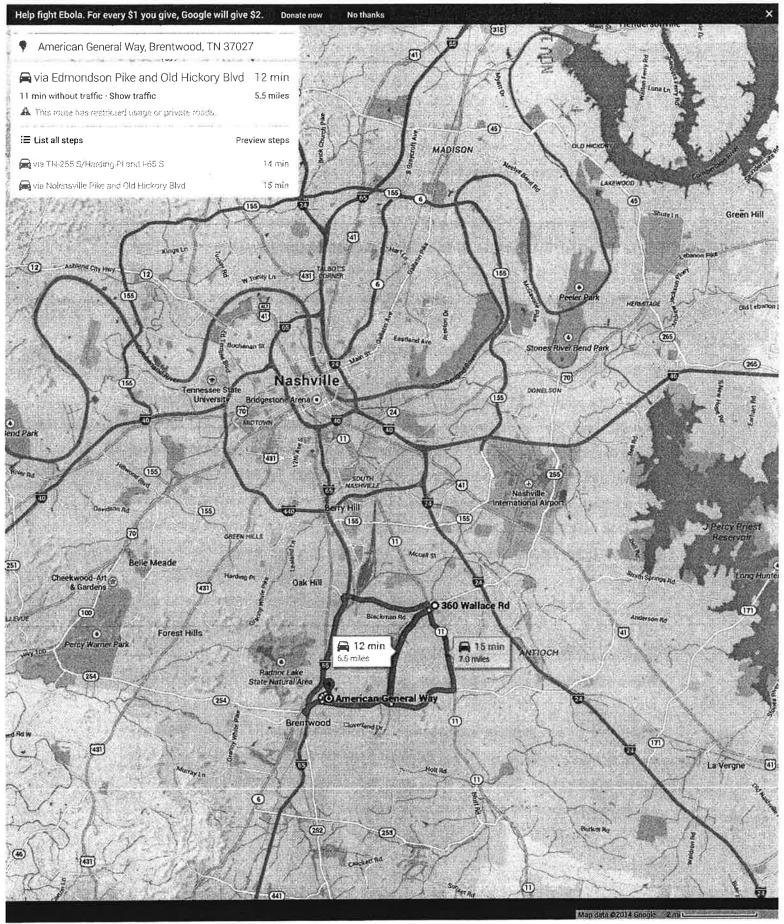
For convenience, a site map for the facility and a map showing the current and proposed sites are provided after this page.

The current ASTC site is at 360 Wallace Road, Nashville, TN, 37211. It is across the street from TriStar Southern Hills Medical Center, located at 390 Wallace Road. The ASTC is within two blocks of the major intersection of Harding Road (eastwest roadway) and Nolensville Road (north-south roadway). The area around that intersection is informally known as the "Harding Mall" area. These facilities are in far south Davidson County, close to both Williamson and Rutherford Counties.

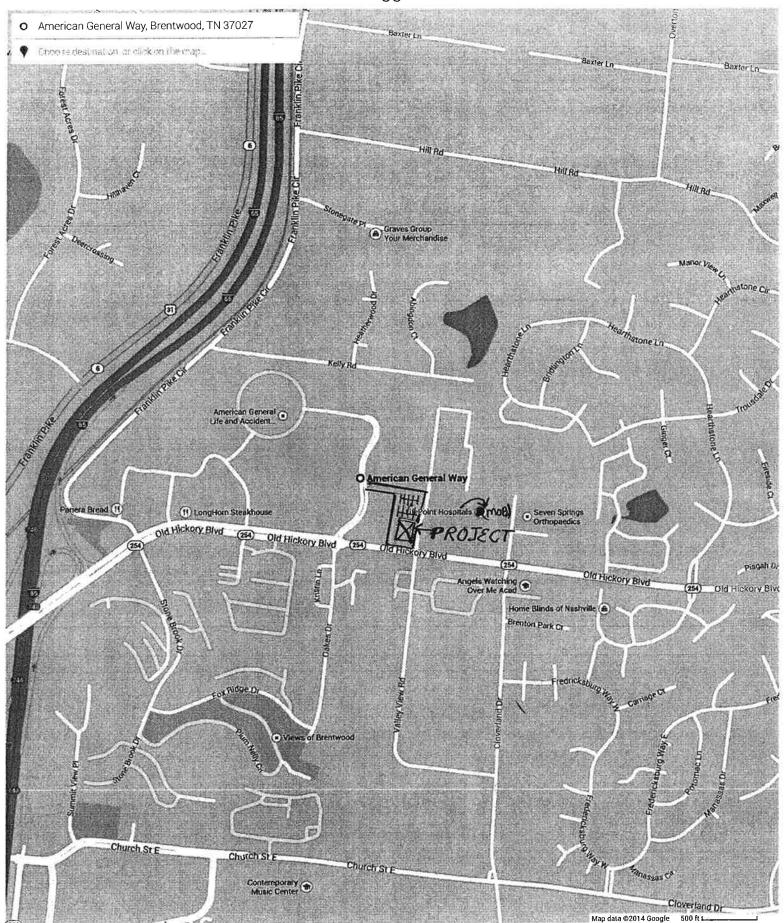
The proposed ASTC site is in far south Davidson County close to the Brentwood city boundary. The site is currently unaddressed but will be in the Brentwood zip code. It is in the northeast quadrant of the intersection of Old Hickory Boulevard (an east-west roadway) and American General Way (a north-south street), just east of Interstate 65. The proposed site is 5.5 miles and twelve minutes' drive west of the current ASTC site. Access to the proposed site will be by American General Way, just above its intersection with Old Hickory Boulevard.

The site is part of an undivided tract of land containing approximately 53 acres and several large office buildings. In 2014 the tract was acquired by Southpoint, LLC, an entity owned by HCA Health Services of Tennessee, Inc., and ultimately by HCA. Within this large tract, a 14-acre wooded segment on the east side of American General Way, bordered by Old Hickory Boulevard, is immediately available for development. Within that 14-acre segment, approximately 3.5 acres adjoining Old Hickory Boulevard are being allocated to the ASTC and its parking and circulatory drives. (Decisions have not yet been made on future uses of the remainder of the 53-acre tract; physician offices and additional outpatient services are being evaluated.)





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Physical Description of the Facility

The ASTC will be a one-story facility, approximately 18,109 SF in size. It will have a canopied entrance. It will contain three operating rooms, two procedure rooms, and shelled space for a future fourth operating room. It will have thirteen pre-op and five post-op/recovery stations. These will be supported by a nursing station, sterile and soiled work areas, equipment storage, linen rooms, staff lounge, administration and business offices, a reception and waiting area with a pediatric playroom, consulting offices, staff showers and lockers, and other support spaces.

Table Two: Summary of Construction and Changes in Size			
	Total Square Feet		
Facility At Current Wallace Rd. Location	12,958 SF		
Facility At Proposed Brentwood Location	18,100 SF		
Net Increase in Size (%)	+39.7%		
Area of New Construction	18,100 SF		
Area of Renovation	none		
Total New & Renovated Construction	18,100 SF		

Project Cost and Funding

It is anticipated that Southpoint, LLC (an HCA subsidiary that owns the land) will develop the project building as shell space, to specifications of HCA, and that Southpoint will then lease the building to Surgicare of Southern Hills, Inc. (an HCA subsidiary which is the CON applicant) to build it out and to equip it as an ASTC.

The estimated project cost for CON purposes is \$17,357,832. Of this, \$8,075,220 is the fair market value of the land and shell building to be provided by the developer/lessor, and \$9,282,612 is the estimated capital expenditure by the applicant/licensee for building out and equipping the shell building.

Both the lessor and the applicant/lessee will receive funding for all project costs from HCA Holdings, Inc., their common parent company.

Project Implementation and Hours of Service

If granted final CON approval by March 1, 2015, the facility can be opened for service at the new location in mid-2016. Its first full calendar year of operation will be CY2017. It will provide ambulatory surgical services Monday through Friday, from 8 AM to 4 PM.

Ownership and Parties Involved in the Project; History of ASTC Licensure

- a. The Developer/Lessor: Southpoint, LLC owns the 53-acre tract that includes this project site. Southpoint, LLC is wholly owned by HCA Health Services of Tennessee, Inc., which is wholly owned by Healthserv Acquisition, LLC, which is wholly owned by Healthtrust, Inc.--The Hospital Company, which is wholly owned by HCA, Inc., which is wholly owned by HCA Holdings, Inc. Southpoint has granted an option to Surgicare of Southern Hills, Inc. (the CON applicant and licensee of the existing ASTC on Wallace Road) under which Surgicare can have Southpoint construct a shell ASTC building at the site, and lease it to Surgicare for completion and use as an ASTC.
- b. The CON Applicant/Lessee/Licensee: Like Southpoint, Surgicare of Southern Hills, Inc., which holds the license for Southern Hills Surgery Center on Wallace Road, is wholly owned by HCA Health Services of Tennessee, Inc., which is wholly owned by Healthserv Acquisition, LLC, which is wholly owned by Healthtrust, Inc.--The Hospital Company, which is wholly owned by HCA, Inc., which is wholly owned by HCA Holdings, Inc.
- c. The Current ASTC Facility on Wallace Road: It was approved in 2004 (CN 0412-110) and licensed in 2005, located in a building leased from an unrelated third party. When originally developed, it was owned by Southern Hills Surgery Center, L.P., in which Surgicare of Southern Hills, Inc. was the general partner. Surgeons on the staff of TriStar Southern Hills Medical Center held partnership interests. Several years later the L.P. was dissolved and Surgicare of Southern Hills, Inc., became sole owner and licensee as it is currently. In mid-2008, it ceased to perform significant numbers of cases and its cases were moved back to the hospital. It has not performed cases as an ASTC since that

time. However, it is being used by TriStar Southern Hills Medical Center for the hospital's own GI endoscopy cases, for lack of hospital surgical capacity on peak days. That utilization has been included in the hospital's Joint Annual Reports.

The applicant hopes to syndicate the ASTC again at the new site, based on strongly expressed physician interest. The applicant will retain majority ownership of at least 51%, if a syndication occurs. The facility is not under a management contract currently, but it will be if a future syndication occurs, bringing minority ownership interests into the operation. The future management entity in that scenario has not been identified; but it will be a wholly-owned HCA affiliate in order to keep revenues within the HCA organization. The probable management entity will be HCA's wholly owned Medical Care America (i.e., the Surgery Center Division of the company), which manages many HCA surgery centers.

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART.

UTILIZING THE ATTACHED CHART, APPLICANTS WITH HOSPITAL PROJECTS SHOULD COMPLETE PARTS A-E BY IDENTIFYING, AS APPLICABLE, NURSING UNITS, ANCILLARY AREAS, AND SUPPORT AREAS AFFECTED BY THIS PROJECT. PROVIDE THE LOCATION OF THE THE EXISTING FACILITY **ALONG** WITHIN UNIT/SERVICE CURRENT SQUARE FOOTAGE, WHERE, IF ANY, THE UNIT/SERVICE WILL DURING CONSTRUCTION **TEMPORARILY** RELOCATE RENOVATION, AND THEN THE LOCATION OF THE UNIT/SERVICE WITH PROPOSED SQUARE FOOTAGE. THE TOTAL COST PER SQUARE FOOT SHOULD PROVIDE A BREAKOUT BETWEEN NEW CONSTRUCTION AND RENOVATION COST PER SQUARE FOOT. OTHER FACILITY PROJECTS NEED ONLY COMPLETE PARTS B-E.

See Attachment B.II.A.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

ASTC construction projects approved by the HSDA in 2011-2013 had the following construction costs per SF:

Table Thr	ee: Ambulatory Surger Years: 20	ry Center Construction 11-2013	ction Cost PSF
	Renovated Construction	New Construction	Total Construction
1 st Quartile	\$95.04/sq ft	\$174.88/sq ft	\$113.55/sq ft
Median	\$113.55/sq ft		\$162.00/sq ft
3 rd Quartile	\$150.00/sq ft	\$269.76/sq ft	\$223.62/sq ft

Source: CON approved applications for years 2011 through 2013

This project's estimated construction cost in CY2013 is approximately \$360 PSF overall, combining the cost of the lessor/developer for the shell building, and the cost of the CON applicant/lessee for finishing out the shell building as an ASTC.

7	Table Four: This Proje	ct's Construction Cost	s
€	Shell Construction by Lessor	Build-out by Applicant/Lessee	Total Project
Square Feet	18,109 SF	18,109 SF	18,109 SF
Construction Cost	\$2,444,715	\$4,074,525	\$6,519,240
Constr. Cost PSF	\$135	\$225	\$360

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Not applicable to an ambulatory surgical treatment center.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

- 1. ADULT PSYCHIATRIC SERVICES
- 2. ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS
- 3. BIRTHING CENTER
- 4. BURN UNITS
- 5. CARDIAC CATHETERIZATION SERVICES
- 6. CHILD AND ADOLESCENT PSYCHIATRIC SERVICES
- 7. EXTRACORPOREAL LITHOTRIPSY
- 8. HOME HEALTH SERVICES
- 9. HOSPICE SERVICES
- 10. RESIDENTIAL HOSPICE
- 11. ICF/MR SERVICES
- 12. LONG TERM CARE SERVICES
- 13. MAGNETIC RESONANCE IMAGING (MRI)
- 14. MENTAL HEALTH RESIDENTIAL TREATMENT
- 15. NEONATAL INTENSIVE CARE UNIT
- 16. NON-RESIDENTIAL METHADONE TREATMENT CENTERS
- 17. OPEN HEART SURGERY
- 18. POSITIVE EMISSION TOMOGRAPHY
- 19. RADIATION THERAPY/LINEAR ACCELERATOR
- 20. REHABILITATION SERVICES
- 21. SWING BEDS

Not applicable. This project does not add another licensed surgical facility, or increase licensed surgical capacity, or type of acute care service, within the service area.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

- 1. <u>Improved Physical Facility</u>--The Wallace Road facility was built to design standards and State licensure codes in effect in 2005, a decade ago. Since then, design standards and State codes have changed. They are anticipated to change again when the 2014 AIA standards are adopted for Tennessee licensure. Replacing the ASTC with a new facility designed to more modern standards will provide a better patient care environment. For example:
- The existing facility's operating rooms are approximately 340 SF in size; the new facility's will be 415 SF in size--a 22% increase in floor space.

- The existing facility has only 14 pre-op and post-op recovery spaces. The new facility will have 23: 18 pre-op and 5 post-op/recovery stations, for the same surgical room complement. This will be a 64% increase in stations.
- The new facility will have air changes in the OR's 15 times a day; the existing facility has far fewer air changes per day.
- These and other improvements in support spaces will give the new facility an area of 18,100 SF, compared to the current location's area of 12,958 SF--an increase of 40%.
- 2. <u>Improved Accessibility for Patients in South Davidson and North Williamson Counties</u> --There are no multidisciplinary ASTC's currently in the Brentwood area. There are some in Davidson County north of Brentwood; and there are some near I-65 at the Franklin exit several miles south of this project. But the populous, high-growth residential and office communities near Brentwood (in both South Davidson and North Williamson Counties) have no multidisciplinary ambulatory surgery facilities. This relocation project will provide that option, without increasing the number of licensed ASTC's and surgical rooms in the service area.
- 3. <u>Lower Costs for Payors</u> -- Hospitals are reimbursed by Medicare (and many other insurors) at up to 40% more than ASTC's are reimbursed, for the same procedures. Moving a large number of TriStar Southern Hills Medical Center's outpatient cases into the proposed ASTC facility will provide savings for the health care system.
- 4. Recapture of Lease Expenditures—The ASTC is now leasing its building from an unrelated third party, for substantial annual lease payments of approximately \$30,000 per month. HCA would prefer to "buy rather than rent" the real estate for its ASTC. Although there will be a lease at the new site, those lease payments will be made to other HCA subsidiaries, staying within the company.

And if the ASTC remains where it is, and seeks to renew its lease, it will be at a serious negotiating disadvantage by virtue of being a captive tenant.

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF \$1.5 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

- 1. For fixed site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 - 1. Total Cost (As defined by Agency Rule);
 - 2. Expected Useful Life;
 - 3. List of clinical applications to be provided; and
 - 4. Documentation of FDA approval.
 - b. Provide current and proposed schedule of operations.
- 2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost;
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
- 3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable. No major medical equipment is included in the project.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

- 1. SIZE OF SITE (IN ACRES);
- 2. LOCATION OF STRUCTURE ON THE SITE;
- 3. LOCATION OF THE PROPOSED CONSTRUCTION; AND
- 4. NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

See Attachment B.III.A.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

The project's service area has excellent access to the proposed Brentwood site. The site is in far south Davidson County, on Old Hickory Boulevard, within yards of Exit 74 on I-65. Old Hickory is a high-speed, east-west traffic corridor for most of its length, running across south Davidson County and connecting I-40, I-65, and I-24-which are major interstate corridors that bring travelers toward Nashville from Davidson, Williamson, and Rutherford Counties. So the project will be well-positioned to continue to serve residents of these three counties; and it will be very visible to patients arriving on Old Hickory Boulevard.

Table Five on the next page provides a comparison of drive times between a dozen communities in these three counties and the current and proposed ASTC sites. The average distances and drive times at the base of the chart show that the proposed site is just as accessible to service area communities as is the current site.

		Table Five: D		and Distance	s Between Se	rive Times and Distances Between Service Area Communities	mmunities	5	
		and Sour		sed Site	er s rropose	To Proposed Site	To Existing Site	ing Site	
County	City	Miles	RT Miles	Minutes	RT Minutes	Miles	RT Miles	Minutes	RT Minutes
Davidson	Nashville	10.7	21.4	15	30	9.3	18.6	16	32
	Hermitage	19.8	39.6	24	48	11.4	22.8	23	46
	Bellevue	10.1	20.2	.21	42	12.6	25.2	26	52
Williamson	Brentwood	0	0	0	0	5.9	11.8	13	26
	Franklin	12.8	25.6	19	38	17.8	35.6	25	50
	Thompson								
	Station	22	44	26	52	27	54	32	64
	Nolensville	10.7	21.4	21	42	9.7	19.4	20	40
	Fairview	22.2	44.4	36	72	27.2	54.4	43	86
	Triune	20.6	41.2	26	52	16.8	33.6	28	56
Rutherford	Lavergne	14.6	29.2	24	48	12.4	24.8	16	32
	Smyrna	18.7	37.4	31	62	16.5	33	23	46
	Murfreesboro	28.9	57.8	38	92	26.7	53.4	30	9
	Averages	15.9	31.9	23.4	46.8	16.1	32.2	24.6	49.2

Source: Google Maps, 11-14

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

- 1. EXISTING SERVICE AREA (BY COUNTY);
- 2. PROPOSED SERVICE AREA (BY COUNTY);
- 3. A PARENT OR PRIMARY SERVICE PROVIDER;
- 4. EXISTING BRANCHES AND/OR SUB-UNITS; AND
- 5. PROPOSED BRANCHES AND/OR SUBUNITS.

Not applicable. The application is not for a home care organization.

C(I) NEED

- C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.
- A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.
- B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

(Note: The State Health Plan criteria for Ambulatory Surgical Treatment Centers is not applicable because the project does not propose an additional licensed facility or additional licensed surgical capacity.)

<u>Project-Specific Review Criteria: Construction, Renovation, Expansion, and Replacement of Health Care Institutions</u>

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

Not applicable; none of these changes is being proposed.

- 2. For relocation or replacement of an existing licensed healthcare institution:
- a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strugths and weaknesses of each alternative.

The applicant has provided detailed cost projections for relocation to a new site. However, it is not feasible to create a budget or a plan for renovation, for two reasons. First, renovation would not expand the building footprint, which would be needed to expand the size of surgical rooms, add pre-op and recovery spaces, and expand other support spaces to conform to current design and licensure standards. The applicant does not own the building and can't compel its expansion. Second, even with a renovation, staying at this location will force the applicant to continue making large lease payments to an unrelated third party. One of the primary objectives of this project is to recapture the lease payments within the applicant's own organization, i.e., to direct them to another wholly owned HCA subsidiary company.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

The applicant is submitting letters of support from surgeons who will perform cases at the new location. Those commitments, plus the prospect of continued population growth within a half hour's drive of the new site, provide reasonable assurance that this relocation of an existing facility will be feasible and that the caseload projections will be met.

- 3. For renovation or expansion of an existing licensed healthcare institution:
- a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.
- b. the applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Not applicable; this is a replacement project and not a renovation or expansion project.

The Framework for Tennessee's Comprehensive State Health Plan

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans. Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

The project will increase access to multispecialty ambulatory surgical care by moving resources closer to population growth centers. It will provide a better physical facility for surgical care than the older facility being replaced. This are positive factors for healthcare services in the area.

2. Access to Care

Every citizen should have reasonable access to health care. Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

The project is consistent with the State Guidelines for the replacement of acute care facilities. Re-opening this ASTC for service within one of the State's highest-growth communities (Brentwood) expands that community's options for convenient access to ambulatory surgery.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

The project will provide an efficient facility for the delivery of care, one which conforms to current codes and design standards. This will be done without increasing the total licensed complement of surgical rooms or ASTC's in the service area.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

By replacing an older facility with one designed to newer industry and licensure standards, the project will enhance quality as defined by State Licensure.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

The project has no apparent net impact on the healthcare workforce.

C(I).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

Since the ASTC temporarily suspended performance of ASTC cases in 2008, its owner (HCA) has been waiting for an opportunity to relocate it to a better building at a location more accessible to service area patients, one which would recapture lease payments within the HCA organization of companies. During that time, the hospital has performed many of its own cases (GI) in the ASTC to free up O.R. time in the main hospital operating suite.

Now that the facility's parent company has acquired a suitable HCA-owned site several miles to the west, within the same service area and satisfactory to its prospective surgical staff, it is timely to propose the relocation and reopening of these ambulatory surgery services.

176

C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

In its initial years, the project's patient origin is expected to reflect the current ambulatory surgery patient origin of TriStar Southern Hills Medical Center. The surgeons who will practice at the relocated facility comprise many of the hospital's current surgical staff. Patient origin projections are in Table 6 below. The three primary service area counties will generate approximately 85% of the cases. No other county is expected to generate even 3% of the caseloads.

Table Six: Projected Patient Origin of Southern Hills Surgery Center							
County	Percent of Total	Year One Cases	Year Two Cases				
Davidson	65%	2,061	2,341				
Rutherford	12%	381	432				
Williamson	8%	254	288				
Subtotal PSA	85%	2,696	3,061				
Wilson	2%	63	72				
Maury	2%	63	72				
Other Co. <2%	11%	348	397				
Total All Counties	100%	3,170	3,602				

A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Please see Table Seven on the following page. The primary service area (PSA) population has a younger median age (approximately 35) than the State average age of 38 years. Between this year and 2018, the PSA population is projected by State demographers to increase by 7.1%, almost twice as fast as the 3.7% rate of increase forecasted for the State.

The PSA's elderly age 65+ population is almost 11% of the total population, much less than the 15% Statewide percentage. By 2018, the PSA and State percentages of elderly are projected to reach almost 12% and approximately 16%, respectively. However, the projection is for the PSA's age 65+ population to increase 17.6% over the next four years, compared to a 12.3% increase Statewide.

In terms of income, the PSA's median household income of \$64,309 is far above the State average of \$44,140. TennCare enrollment in the PSA is 14.9% of the population versus 18.8% Statewide. The persons living in poverty in the PSA are 14.9% of the population, compared to 17.3% Statewide.

SUPPLEMENTAL #1

November 25, 2014 8:45 am

Table Seven: Der	mographic Southerr	Demographic Characteristics of Primary Service Area Southern Hills Surgery Center 2014-2018	tics of Prim ry Center	ary Service	Area
Demographic	DAVIDSON		WILLIAMSON County	TENNESSEE PSA	STATE OF TENNESSEE
Median Age-2010 US Census	33.9	32.2	38.5	34.9	38.0
Total Population-2014	656,385	293,582	202,923	1,152,890	6,588,698
Total Population-2018	682,330	329,446	223,333	1,235,109	6,833,509
Total Population-% Change 2014 to 2018	4.0%	12.2%	10.1%	7.1%	3.7%
Age 65+ Population-2014	74,375	27,218	23,028	124,621	981,984
% of Total Population	11.3%	9.3%	11.3%	10.8%	14.9%
Age 65+ Population-2018	85,594	33,222	27,729	146,545	1,102,413
% of Total Population	12.5%	10.1%	12.4%	11.9%	16.1%
Age 65+ Population- % Change 2014-2018	15.1%	22.1%	20.4%	17.6%	12.3%
Median Household Income	\$46,676	\$55,105	\$91,146	\$64,309	\$44,140
TennCare Enrollees (4/14)	124,103	38,869	9,214	172,186	1,241,028
Percent of 2014 Population Enrolled in TennCare	18.9%	13.2%	4.5%	14.9%	18.8%
Persons Below Poverty Level (2014)	121,431	38,166		171,366	1,139,845
Persons Below Poverty Level As % of Population (US Census)	18.5%	13.0%	5.8%	14.9%	17.3%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts; TennCare Bureau. PSA data is unweighted average or total of county data, as appropriate.

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

This three-county area of Middle Tennessee is relatively prosperous compared to the rest of the State, although there are large pockets of lower-income communities, especially in more rural sectors and inner city sectors of these counties. This project will be accessible to the above groups. HCA TriStar facilities accept both Medicare and TennCare patients. The ASTC will serve all of the above groups. It will provide limited charity care, which is the policy of almost every ASTC in the area, because its positive operating margin is not large.

	thern Hills Surgery Center Special Needs Groups
Category	Percentage of Gross Revenues, Yr. 1
Medicare Payor Mix	17.3%
Medicaid/TennCare Payor Mix	12.1%
Charity Care Payor Mix	0.5%

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.

Tables Nine A-C following this page list reported 2011-2013 capacity and caseloads for the PSA ASTC's that performed cases of types projected for this project. The applicant has excluded only a few facilities, such as those dedicated to MUA, pain management, and radiation therapy.

One difficulty for health planning analysis is that the State Joint Annual Reports do not clearly show case utilization for OR's and procedure rooms separately, so the State Plan's request for applicants to analyze utilization for each type of room separately can not be answered at this time.

However, taking all cases in relation to all surgical rooms (whether operating rooms or procedure rooms), the service area facilities have been averaging approximately 900 cases per surgical room, annually, in the past 3 years. Although the State Plan "Need" review criteria do not apply to this project, the areawide average utilization of ambulatory surgical facilities is reasonably consistent with the goal of the State Plan.

Table Nine-A: Southern Hills Surgery Center Utilization of Surgery Centers in the Primary Service Area of This Project							
	2013 Joint Annual Report of ASTO						
County	Facility Name	O.R.'s	Procedure Rooms	Total Surgical Rooms	Total Cases	Cases Per Surgical Room	
Davidson	American Endoscopy Center	1	1	2	690		
	Associated Endoscopy	0	3	3	4,438		
	Baptist Ambulatory Surg Center	6	1	7	7,137		
	Baptist Plaza Surgicare	9	1	10	8,094		
	Centennial Surgery Center	6	2	8	7,214		
	Digestive Disease Endos Center	0	4	4	6,049		
	Eye Surg Cntr of Middle TN	2	0	2	1,198		
	Eye Surg Center of Nashville	1	1	2	4,300		
	Gurley Surgery Center	0	3	3	284		
	LVC Outpatient Surg Center	2	1	3	2,025		
	Mid-State Endoscopy Center	0	3	3	2,429		
	Nashville Endo Surg Center	0	3	3	2,754		
	Nashville GI Endoscopy Cntr	0	3	3	2,384		
	Nashville Surgery Center	5	1	6	4,292		
	Nashville Vision Correction	1	0	1	148		
	Northridge Surgery Center	5	2	7	2,954		
	Premier Orthopaedic Surg Cntr	2	0	2	2,485		
	Saint Thomas Campus Surgicare	6	1	7	7,137		
	Saint Thomas OP Neurosurgical Cntr.	2	1	3	1,779		
	Southern Endoscopy Center	0	3	3	2,695		
	Southern Hills Surgery Center	NR	NR	NR	NR		
	Saint Thomas Med Group Endos Cntr.	0	2	2	3,424		
	Summit Surgery Center	5	1	6	5,474		
	Urology Surgery Center	3	3	6	5,445		
	Wesley Ophthalmic Plastic Surg Cntr.	2	0	2	905		
Williamson	Cool Springs Surgery Center	5	1	6	7,780		
	Franklin Endoscopy Center	2	2	4	2,655		
Rutherford	Mid-State Endoscopy Center	0	2	2	1,632		
	Middle TN Ambulatory Surg Center	6	1	7	6,552		
	Physicians Pavillion Surgery Center	4	1	5	3,032		
	Surgicare of Murfreesboro Med Clinic	3	3	6	8,521		
	Williams Surgery Center	1	0	1	56		
	TOTAL PRIMARY SERVICE AREA		S. Dadies S. S. Maria	129	115,962	899	

l Itiliz	Table Nine-B: Southern Hi ation of Surgery Centers in the Prin				is Proje	ct
Othiz	2012 Joint Annual Report of ASTO					
	2012 Joint Almaar Report of Acre					1
County	Facility Name	O.R.'s	Procedure Rooms	Total Surgical Rooms	Total Cases	Cases Per Surgical Room
Davidson	American Endoscopy Center	1	1	2	809	405
	Associated Endoscopy	0	3	3	4,477	1,492
	Baptist Ambulatory Surg Center	6	1	7	7,443	1,063
	Baptist Plaza Surgicare	9	1	10	8,215	822
	Centennial Surgery Center	6	2	8	7,491	936
	Digestive Disease Endos Center	0		4	5,863	
	Eye Surg Cntr of Middle TN	2	0	2	432	216
	Eye Surg Center of Nashville	1	1	2	2,631	1,316
	Gurley Surgery Center	0		3	302	101
	LVC Outpatient Surg Center	2	1	3	2,077	692
	Mid-State Endoscopy Center	0	3	3	2,631	877
	Nashville Endo Surg Center	0		3	2,655	885
	Nashville GI Endoscopy Cntr	0		2	2,640	1,320
1	Nashville Surgery Center	5	1	6	4,126	688
	Nashville Vision Correction	1	0	1	166	166
	Northridge Surgery Center	5	2	7	2,863	
	Premier Orthopaedic Surg Cntr	2	0	2	2,277	1,139
*	Saint Thomas Campus Surgicare	6	1	7	7,446	
	Saint Thomas OP Neurosurgical Cntr.	2	1	3	2,530	
	Southern Endoscopy Center	0	3	3	2,762	921
	Southern Hills Surgery Center	NR	∞ NR	NR	NR	
	Saint Thomas Med Group Endos Cntr.	0	2	2	3,608	1,804
	Summit Surgery Center	5	1	6	5,775	963
	Urology Surgery Center	3	3	6	6,705	1,118
	Wesley Ophthalmic Plastic Surg Cntr.	2	0	2	764	382
Williamson	Cool Springs Surgery Center	5	1	6	- 7,292	1,215
	Franklin Endoscopy Center	0	2	2	2,530	1,265
Rutherford	Mid-State Endoscopy Center	0	2	2	1,125	563
	Middle TN Ambulatory Surg Center	6	1	7	6,490	927
	Physicians Pavillion Surgery Center	4	1	5	2,864	573
	Surgicare of Murfreesboro Med Clinic	3	3	6	7,984	1,331
	Williams Surgery Center	1	0	1	65	65
	TOTAL PRIMARY SERVICE AREA			126	115,038	913

Utiliza	Table Nine-C: Southern Hills Surgery Center Utilization of Surgery Centers in the Primary Service Area of This Project							
	2011 Joint Annual Report of ASTC					(4)		
County	Facility Name	O.R.'s	Procedure Rooms	Total Surgical Rooms	Total Cases	Cases Per Surgical Room		
Davidson	American Endoscopy Center	1	1	2	602	301		
	Associated Endoscopy	0		3	5,222	1,741		
	Baptist Ambulatory Surg Center	6		7	7,304	1,043		
	Baptist Plaza Surgicare	9		10	9,171	917		
	Centennial Surgery Center	6		8	7,405			
	Digestive Disease Endos Center	0		4	5,845	1,461		
	Eye Surg Cntr of Middle TN	NR		NR	NR			
	Eye Surg Center of Nashville	1	1	2	2,524	1,262		
	Gurley Surgery Center	0		3	300	100		
	LVC Outpatient Surg Center	2		3	1,902	634		
	Mid-State Endoscopy Center	0		3	2,404	801		
	Nashville Endo Surg Center	0		3	2,594	865		
	Nashville GI Endoscopy Cntr	0		2	2,698			
	Nashville Surgery Center	5		6	4,155			
	Nashville Vision Correction	1		1	132	132		
	Northridge Surgery Center	4	2	6	3,201	534		
	Premier Orthopaedic Surg Cntr	2		2	2,382			
	Saint Thomas Campus Surgicare	6		7	7,639			
	Saint Thomas OP Neurosurgical Cntr.	2		3	2,469			
	Southern Endoscopy Center	0		3	2,591	864 NR		
	Southern Hills Surgery Center	NR		NR	NR 3,411	1,706		
	Saint Thomas Med Group Endos Cntr.	0		2	6,505			
	Summit Surgery Center	5		6	7,608			
	Urology Surgery Center	3		2	7,606	377		
	Wesley Ophthalmic Plastic Surg Cntr.	2			6,501	1,084		
Williamson	Cool Springs Surgery Center	5		6	2,527	1,064		
	Franklin Endoscopy Center	0		2 5	3,410			
	Williamson Surgery Center	4		2	134	67		
Rutherford	Mid-State Endoscopy Center	0		7	6,264			
	Middle TN Ambulatory Surg Center			5	2,976			
	Physicians Pavillion Surgery Center	4		7	7,655			
	Surgicare of Murfreesboro Med Clinic	1		1	134			
	Williams Surgery Center		0	129	118,419			
	TOTAL PRIMARY SERVICE AREA		100 1111 1111 1111	129	110,418	910		

PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY C(I).6. STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE **FOLLOWING** COMPLETION TWO (2) YEARS REGARDING THE THE ADDITIONALLY, UTILIZATION. PROJECT **METHODOLOGY** INCLUDE **CALCULATIONS** OR **DETAILED METHODOLOGY** MUST DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

Tables Ten-A and Ten-B below provide the historical utilization of this facility from CY2006-CY2014, and project utilization through CY2021, the facility's first five years of operation at the new site.

In historical Table Ten-A, the data are ASTC cases. The facility operated two and a half years before suspending surgeries in mid-2008. The 1,390 cases in 2008 were for approximately a half-year. The 556 cases per room represents utilization for half a year.

The data for 2011-2014 are hospital GI endoscopy patients (not ASTC patients) whose cases were scheduled into the vacant capacity at the ASTC facility to free up hospital-based surgical rooms for other cases. The 2014 cases have been annualized based on January-October experience. These GI endoscopy cases have been included in the hospital's Joint Annual Reports for those years. The ASTC has not filed Joint Annual Reports for those years.

8	340	en-A: Southern Historical V CY2006-CY20	Utilization		
Year	Operating Rooms	Procedure Rooms	Total Rooms	Cases	Cases Per Room
2006	3	2	5	2,587	517
2007	3	2	5	2,519	504
2008	3	2	5	1,390	556
	Cases Suspended	Pending Furthe	er Long Range	Planning for th	ne Facility)
2011	3	2	5	2,206	441
2012	3	2	5	2,351*	470*
2013	3	2	5	2,429*	486*
2014	3	2	5	2,542*	508*

^{*}Use of the ASTC By TriStar Southern Hills Medical Center for hospital outpatient cases

November 25, 2014 8:45 am

		en-B: Souther Utilization At CY2017-	Proposed New		
Year	Operating Rooms	Procedure Rooms	Total Rooms	Cases	Cases Per Room
Yr 1 - 2017	3	2	5	3,170	634
Yr 2 - 2018	3	2	5	3,602	720
Yr 3 - 2019	3	2	5	3,710	742
Yr 4 - 2020	3	2	5	3,821	764
Yr 5 - 2021	3	2	5 5	3,936	787

Year One projections were made by HCA on the basis of physician interviews with Southern Hills administration and HCA Surgery Center Division staff. For Year Two a 13.6% increase was projected as physician activity ramps up; for subsequent years, an annual caseload increase of 3% was projected.

Table Ten-C below is the HCA Surgery Center Division's projection of Years One and Two cases by medical specialty.

Table Ter Projected Utiliz	n-C: Southern Hills Surgery eation in Years One and Two	By Specialty
Surgical Specialty	Year One (CY 2017)	Year Two (CY 2018)
Otolaryngology (ENT)	370	420
General Surgery	282	320
Gastroenterology (Endo)	1,584	1,800
Gynecology	88	100
Podiatry	327	372
Urology	105	120
Neurology/Spine	264	300
Other	150	170
Totals	3,170	3,602

All of the projected Year One cases are expected to be moved to the ASTC from TriStar Southern Hills Medical Center, where they are now being performed as hospital outpatient surgeries. None of the projected cases depend on speculation about recruiting additional surgeons not currently on staff at Southern Hills; although this could occur by the time the relocated facility is completed.

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

- ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST \$3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.
- THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.
- THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.
- FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.

The architect's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1.

On the Project Costs Chart, following this response, all costs were estimated by the Surgery Center Division of HCA, which has been assisting TriStar Southern Hills Medical Center plan a replacement facility for this ASTC. In making cost estimates the project architect was continuously involved.

Lines A.3 and A.4, site acquisition and improvement costs, are zero because the lessor and not the CON applicant is providing the site. The applicant is building out

shelled space for the project and the applicant's costs are in Sections A and C of the Chart.

Line B.2 is the fair market value of the facility being leased, calculated in the two alternative ways required by staff rules. The building value outlay was the larger of these two alternative calculations and was used in the Project Cost Chart. Please see the following page for calculation of the building value and lease outlay.

Line B.3 is the allocated value of 3.5 acres of an undivided tract of 14 acres within the larger 53-acre site acquired by Southpoint, LLC for future development. The 14 acres were valued by an appraiser in 2013 at \$9,583,200. Allowing for a year's increase in value, the applicant estimated its current value at \$10,000,000. Then the 3.5 acre site of the ASTC was valued using the following calculation:

3.5 acres / 14 acres X \$10,000,000 = \$2,500,000

Alternative A: Lease Outlay

\$507,052 annual lease cost X 10 years in first lease term, with a 3% annual escalator after Year One, equals a lease outlay of \$5,812,783 during the first lease term.

Alternative B: Building and Land Valuation

Estimated project costs, all of which will provided by the lessor = \$5,575,220 for the building (see table below) and \$2,500,000 allocated cost of the site, for a total of \$8,075,220. Building expenditures are itemized below, using the CON form's cost categories. The land value is on line B.3 of the Project Cost Chart.

Lessor's Costs of Developing the Shelled Build	ing for the Lessee/CON Applicant
A. Construction & Equipment Purchased	
1. A&E Fees	\$377,524
2. Legal, Administrative, Development Fees	\$50,000
3. Acquisition of Site	
4. Preparation of Site	\$1,750,000
5. Construction Cost	\$2,444,715
6. Contingency	\$419,472
7. Fixed Equipment	0
8. Moveable Equipment	0
9. Other (IT, telecomm., misc.)	\$304,315
	320
B. Acquisition by Gift, Donation, or Lease	
1. Facility (Building+Land)	0
2. Building Only	0
3. Land Only	0
4. Equipment (Specify)	0
5. Other (Specify)	0
C. Financing Costs & Fees	
1. Interim Interest	\$229,194
2. Underwriting Costs	0
3. Reserve for 1 Yr Debt Service	0
4. Other (Specify)	0
D. Estimated Project Cost (A+B+C)	\$5,575,220
E. CON Filing Fee	NA
F. Total Estimated Project Cost (D+E)	\$5,575,220

PROJECT COSTS CHART-SOUTHERN HILLS SURGERY CENTER

Construction and equipment acquired by purchase: 366,707 1. Architectural and Engineering Fees 2. Legal, Administrative, Consultant Fees (Excl CON Filing) 50,000 3. Acquisition of Site 4. Preparation of Site 4,074,525 5. Construction Cost 407.453 6. Contingency Fund 7. Fixed Equipment (Not included in Construction Contract) 3,394,851 8. Moveable Equipment (List all equipment over \$50,000) 345,108 Misc. fees, testing, cabling 9. Other (Specify) 225,000 Information Systems / Telecommunication Acquisition by gift, donation, or lease: B. 1. Facility (inclusive of building and land) 5,575,220 **Building only** 2. 2,500,000 3. Land only 4. Equipment (Specify) 5. Other (Specify) Financing Costs and Fees:

C.	Financing Costs and Fees:	e	
8	 Interim Financing Underwriting Costs Reserve for One Year's Debt Service Other (Specify) 		380,001
D.	Estimated Project Cost (A+B+C)	-	17,318,865
E.	CON Filing Fee		38,967
	2 8 0		
F.	Total Estimated Project Cost (D+E)	TOTAL \$	17,357,832
		Actual Capital Cost Section B FMV	9,282,612 8,075,220

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY-2).

A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

D. Grants--Notification of Intent form for grant application or notice of grant award;

_x_E.
Officer; or

Cash Reserves--Appropriate documentation from Chief Financial

All of the funds required to implement the project will be provided in the form of a cash transfer from HCA Holdings, Inc., through its Division office, TriStar Health System. The financial statements of HCA Holdings, Inc. are provided in the Attachments to the application.

F. Other--Identify and document funding from all sources.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

The justification of costs was provided in an earlier section, which is repeated here:

ASTC construction projects approved by the HSDA in 2011-2013 had the following construction costs per SF:

Table Thre	ee: Ambulatory Surger Years: 2	ry Center Construc 011-2013	ction Cost PSF
e e	Renovated Construction	New Construction	Total Construction
1st Quartile	\$95.04/sq ft	\$174.88/sq ft	\$113.55/sq ft
Median	\$113.55/sq ft	\$223.62/sq ft	\$162.00/sq ft
3rd Quartile	\$150.00/sq ft	\$269.76/sq ft	\$223.62/sq ft

Source: CON approved applications for years 2011 through 2013

This project's estimated construction cost in CY2013 is approximately \$360 PSF overall, combining the cost of the lessor/developer for the shell building, and the cost of the CON applicant/lessee for finishing out the shell building as an ASTC.

Table Four: This Project's Construction Costs						
	Shell Construction by Lessor	Build-out by Applicant/Lessee	Total Project			
Square Feet	18,109 SF	18,109 SF	18,109 SF			
Construction Cost	\$2,444,715	\$4,074,525	\$6,519,240			
Constr. Cost PSF	\$135	\$225	\$360			

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE TWO PAGES--DO NOT MODIFY THE FOLLOWING PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE PROJECTED DATA CHART REQUESTS FOR THE INSTITUTION. INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF PROJECTED DATA CHART SHOULD INCLUDE THIS PROPOSAL. REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., BEDS, INCLUDE ADDITIONAL APPLICATION IS **FOR** ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

The Southern Hills Surgery Center has suspended surgical services, but retained its license, since 2008. Its Historical Data Chart for the years 2006-2008 is so outdated that it would likely be meaningless to the CON review process.

A Projected Data Chart for the project is provided following this page.

HISTORICAL DATA CHART FOR CY2007 - SOUTHERN HILLS SURGERY CENTER

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

	8	E 4	Cases				j."		Year 2007 2,519
A.	Utili	zation Data		-		-		-	
В.		enue from Services to Patients			e;		-		
	1.	Inpatient Services		\$					12,590,620
	2.	Outpatient Services	41	===	DK .				<u> </u>
	3.	Emergency Services				8			14
	4.	Other Operating Revenue							-
		(Specify) See notes page							
			Gross Operating Revenue	\$	0	\$_	0	\$_	12,590,634
C.	Ded	uctions for Operating Revenue							
	1.	Contractual Adjustments	×	\$		-		-	10,146,213
50	2.	Provision for Charity Care							
	. 3.	Provisions for Bad Debt.	2 //c 2 2			9 7 <u>=</u>		_	111,212
			Total Deductions	\$	0	\$_	0	\$_	10,257,425
NET	OPER	ATING REVENUE		\$	0	\$_	0	\$_	2,333,209
D.	Ope	rating Expenses		-				8-	
	∞1.	Salaries and Wages		\$		-		_	1,104,011
	2.	Physicians Salaries and Wages	20			75			
	3.	Supplies				1/5 1/5			510,899
	4.	Taxes							104,055
	5.	Depreciation				0=			433,999
	6.	Rent				7=			287,371
	7.	Interest, other than Capital	90 SWE						
	8.	Management Fees	8			V=			
		a. Fees to Affiliates				V=			120,000
		b. Fees to Non-Affiliates	(8)	41		- 12			
	9.	Other Expenses (Specify)	See notes page			7.= 7.=			345,570
	85		Total Operating Expenses	\$	(1)	1,2			2,905,905
E.	Othe	er Revenue (Expenses) Net (Sp	ecify)	\$		\$		\$_	
NET	OPER	ATING INCOME (LOSS)		\$	0	\$_	0	\$_	(572,696)
F.	Capi	ital Expenditures		70					
	1.	Retirement of Principal		\$		\$_		\$_	
i i	2.	Interest				115		_	200,949
			Total Capital Expenditures	\$	0	\$_	0	\$_	200,949
NET	OPER	ATING INCOME (LOSS)		27					
LES	S CAP	ITAL EXPENDITURES	5	\$	0	\$_	0	\$_	(773,645)

NOTES TO HISTORIC DATA CHART

Line D9, Other Expenses:

Category of Expense		<u>CY2007</u>
Contract Services	19);	\$124,418
Repairs / Maintenance	- 6	\$65,589
Utilities		\$90,425
Insurance		\$13,189
Misc. Expenses		\$51,949
TOTAL		\$345,570

PROJECTED DATA CHART- SOUTHERN HILLS SURGERY CENTER

Give	inforr	mation for the two (2) years foll	owing the completion of this	pro	posal.	4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
The f	fiscal	year begins in January.			Year One	Year Two
			a ×		CY 2017	CY 2018
A.	Utiliz	zation Data	Cases		3,170	3,602
B.	Reve	nue from Services to Patients				***************************************
	1.	Inpatient Services	ο ε	\$	\$	
	2.	Outpatient Services	* 4		28,043,009	32,345,061
	3.	Emergency Services		(). 		X
	4.	Other Operating Revenue (Spe	cify) See notes page	= "		
			Gross Operating Revenue	\$	28,043,009 \$	32,345,061
C.	Dedu	actions for Operating Revenue		-		
	1.	Contractual Adjustments		\$	23,438,832 \$	27,034,561
	2.	Provision for Charity Care		\$	140,215 : \$	161,725
	3.	Provisions for Bad Debt		\$	89,279 \$	102,975
		e.	Total Deductions	\$	23,668,326 \$	27,299,262
NET (OPER	ATING REVENUE	183	\$	4,374,683 \$	5,045,799
D.	Oper	ating Expenses		_		
	1.	Salaries and Wages and Benefit	ts	\$	1,247,760 \$	1,450,304
	2.	Physicians Salaries and Wages		\$	0 \$	0
	3.	Supplies	·	\$	769,409 \$	909,301
	4.	Taxes (Income Taxes)		\$	172,998 \$	260,324
	5.	Depreciation		\$	455,606 \$	468,106
	6.	Rent		\$	507,052 \$	522,264
	7.	Interest, other than Capital		\$	0 \$	0
	8.	Management Fees		-		11.
		a. Fees to Affiliates		\$	218,734 \$	252,290
		b. Fees to Non-Affiliates		\$_	0 \$	0 ,
	9.	Other Expenses (Specify)	See notes page	\$	586,798 \$	641,435
		Dues, Utilities, Insurance, and Prop Taxes, Repa	airs/Maintence, Contract Srvcs, Other			
			Total Operating Expenses	\$	3,958,357 \$	4,504,023
E.	Othe	er Revenue (Expenses) Net (Sp	pecify)	\$	0 \$	0
NET	OPER	ATING INCOME (LOSS)		\$	416,326 \$	541,776
F.	Capi	tal Expenditures				\
	1.	Retirement of Principal		\$	154,060 \$	165,197
	2.	Interest		V 22	145,740	134,603
			Total Capital Expenditures	\$_	299,800 \$	299,800
NET	OPER	ATING INCOME (LOSS)		25		
LESS	CAP	TAL EXPENDITURES		\$_	116,527 \$	241,976

NOTES TO PROJECTED DATA CHART

Line D8, Other Expenses:

Category of Expense	CY2017	CY2018
Professional Fees	\$12,000	\$12,000
Contract Services	\$89,279	\$102,975
Repairs/Maintenance	\$98,207	\$113,273
Property Taxes	\$103,653	\$110,309
Insurance	\$14,264	\$16,695
Utilities	\$172,579	\$177,756
Equipment Leases	\$12,000	\$12,600
Other	\$84,815	\$95,827
TOTAL	\$586,798	\$641,435

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Eleven: Average Charges, Deductions, and Net Charges				
	CY2017	CY2018		
Cases	3,170	3,602		
Average Gross Charge Per Case	\$8,847	\$8,980		
Average Deduction Per Case	\$7,467	\$7,579		
Average Net Charge (Net Operating Revenue) Per Case	\$1,380	\$1,401		
Average Net Operating Income Per Case After Expenses	\$131	\$150		

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

There are no current charges at this facility, which has suspended operation for several years pending a decision on relocation to a new site. Projected charges per case are shown in Table Eleven immediately above.

The most significant impact of the project is that the cost of services to payors (reimbursement to the ASTC) will decline significantly for Medicare cases and for many other insurors who follow Medicare's pricing policies. ASTC reimbursement for surgeries of many types can be 40% lower than hospital reimbursement for the same types of cases.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

The projected average gross charge for this project is comparable to the average gross charges for multispecialty ASTC's operating in the primary service area. Table Eleven-A below shows several such facilities' average gross charges per case, as reported in their most recent 2013 Joint Annual Reports. However, this data is not highly useful, because it is not adjusted for case mix and the comparison is between 2013 charges and this project's charges in CY2017.

Table Eleven-ASouthern Hills Surgery Center Comparison of CY2017 Charge Per Case to CY2013 Charge per Case At Other Area ASTC Facilities						
ASTC Facility	2013 Gross Charges	2013 Cases	2013 Average Gross Charge Per Case			
Nashville Surgery Center	\$44,106,887	4,292	\$10,277			
Saint Thomas Campus Surgicare	\$53,406,803	7,137	\$7,483			
Summit Surgery Center	\$69,034,425	5,474	\$12,611			
Baptist Plaza Surgicare	\$70,267,656	8,094	\$8,681			
Surgicenter of Murf'sboro Med C.	\$11,228,679	8,521	\$1,318			
Physicians Pavilion Surgery Center	\$23,489,720	3,032	\$7,477			
This Project: Southern Hills Surgery Center (in CY2017)	\$28,043,009	3,170	\$8,847			

The following page contains Table Eleven-B, showing the most frequent procedures to be performed, with their current Medicare reimbursement, and their projected Years One and Two utilization and average gross charges.

Table Eleven-B: Southern Hills Surgery Center Charge Data for Most Frequently Performed Procedures

SPECIALTY: GI

			Average Gross Charge			
СРТ	Descriptor	Current Medicare Allowable	Current	Year 1	Year 2	
45385	LESION REMOVAL COLONOSCOPY	\$407.05	\$9,597	\$9,789	\$9,985	
43239	EGD BIOPSY SINGLE/MULTIPLE	\$370.38	\$7,220	\$7,364	\$7,512	
	COLONOSCOPY AND BIOPSY	\$407.05	\$7,173	\$7,316	\$7,463	
45378	DIAGNOSTIC COLONOSCOPY	\$407.05	\$4,133	\$4,216	\$4,300	
	EGD DIAGNOSTIC BRUSH WASH	\$370.38	\$5,259	\$5,364	\$5,471	

SPECIALTY: Podiatry

	8.4		Average Gross Charge			
СРТ	Descriptor	Current Medicare Allowable	Current	Year 1	Year 2	
28285	REPAIR OF HAMMERTOE	\$930.14	\$17,775	\$18,131	\$17,775	
28080	REMOVAL OF FOOT LESION	\$930.14	\$7,343	\$7,490	\$7,343	
28296	CORRECTION OF BUNION	\$1,444.10	\$10,964	\$11,183	\$10,964	
28825	PARTIAL AMPUTATION OF TOE	\$930.14	\$5,194	\$5,298	\$5,194	
28290	CORRECTION OF BUNION	\$1,444.10	\$10,910	\$11,128	\$10,910	
						
	2 - 2				· · ·	

SPECIALTY: ENT

CPT	Descriptor	Current Medicare Allowable	Average Gross Charge		
			Current	Year 1	Year 2
42820	REMOVE TONSILS AND ADENOIDS	\$1,027.11	\$6,403	\$6,531	\$6,662
69436	CREATE EARDRUM OPENING	\$672.75	\$10,968	\$11,187	\$11,411
30520	REPAIR OF NASAL SEPTUM	\$1,027.11	\$13,714	\$13,988	\$14,268
42826	REMOVAL OF TONSILS	\$1,027.11	\$4,797	\$4,893	\$4,991
42821	REMOVE TONSILS AND ADENOIDS	\$1,027.11	\$6,050	\$6,171	\$6,294

SPECIALTY: GENERAL

СРТ	Descriptor	Current Medicare Allowable	Average Gross Charge			
			Current	Year 1	Year 2	
11042	DEB SUBQ TISSUE 20 SQ CM/<	\$151.81	10,145	10,348	10,555	
47562	LAPAROSCOPIC CHOLECYSTECTOMY	\$2,015.50	14,051	14,332	14,619	
11043	DEB MUSC/FASCIA 20 SQ CM/<	\$151.81	5,231	5,336	5,442	
47563	LAPARO CHOLECYSTECTOMY/GRAPH	\$2,015.50	14,508	14,798	15,0 9 4	
49505	PRP I/HERN INIT REDUC >5 YR	\$1,436.09	7,681	7,835	7,991	

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

The utilization of the facility will generate a positive cash flow in both Years One and Two, and is projected to operate with a modest positive margin as defined by the Projected Data Chart.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

The utilization of the facility will generate a positive cash flow in both Years One and Two.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

In Year One (CY2017) Approximately 17% of gross revenues will be billed to Medicare; approximately 12% will be billed to TennCare/Medicaid. Indigent care is projected at 0.5% of gross revenues.

	ve: Southern Hills Sur and TennCare/Medicai	
	Medicare	TennCare/Medicaid
Gross Revenue	\$4,851,441	\$3,393,204
Percent of Gross Revenue	17.3%	12.1%

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY—10.

The income statement and balance sheet for the funding entity, HCA Holdings, Inc., are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

As stated in previous sections, the applicant needs larger space conforming to the most current licensing codes and operational design standards; and the applicant needs to reduce its lease payments to unrelated third parties. The lessee cannot obtain 40% larger space in its present building, and it is highly unlikely that lease payments will be lowered in the future. So the alternative of staying in place is not a feasible option; relocation is necessary. The applicant is choosing to enter new building space to be developed by a sister HCA company, so that future lease payments will be recaptured by an HCA subsidiary. The site chosen is the best option because it is readily available from an affiliated company, provides equal or better access to the service area, and is favored by the medical staff.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AND/OR WORKING RELATIONSHIPS, E.G., TRANSFER AGREEMENTS, CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Southern Hills Surgery Center is, and will remain, affiliated with HCA Health Services of Tennessee, the HCA Division office responsible for operations of HCA's Tennessee hospitals and surgery centers. It will remain specifically affiliated with TriStar Southern Hills Medical Center, with whom it will share surgical staff.

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

The project will place a new ambulatory care resource in a large and rapidly growing community (Brentwood/South Davidson County, a sector currently without a multispecialty ambulatory surgery center option. Moving several thousand annual cases from a hospital setting to an ASTC setting will lower the reimbursement costs paid by insurors, because ASTC reimbursement is much lower than hospital reimbursement for most Medicare procedures, and for many commercial insurors as well. As a surgery center, this facility will also be able to serve Blue Cross "S" Plan patients, a patient group that Blue Cross will not contract with HCA hospitals to serve. That improved accessibility will enlarge the pool of patients that Southern Hills' surgeons can serve in their preferred location. However, most of the ASTC's utilization is projected to come directly out of TriStar Southern Hills Medical Center's own surgical suites; so other facilities should not be significantly adversely impacted.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for Table Fourteen, projecting staffing and salary ranges for the relocated facility.

The Department of Labor and Workforce Development website indicates the following annual salary survey information about compensation for clinical employees of facilities in the greater Nashville area.

Table Thirteen: TDOL Surveyed Average Hourly Salaries for the Region									
Position	Entry Level	Mean	Median	Experienced					
RN	\$44,331	\$59,109	\$58,992	\$65,441					
Surgical Tech	\$34,464	\$43,085	\$41,084	\$49,542					

Table For	urteen: Souther	e Fourteen: Southern Hills Surgery Center	Senter
	Projected Staffing	Staffing	
	Year One	Year Two	***
Position Type (RN, etc.)	FTE's	FTE's	Salary Range (Annual)
Administrator	1.0	1.0	\$100,000-\$120,000
Business Office Manager	1.0	1.0	\$50,000-\$70,000
OR Manager	6:0	1.0	\$60,000-\$80,000
PACU Manager	0.0	0.0	\$60,000-\$80,000
Receptionist	6:0	1.0	\$28,000-\$34,000
Other Clerical	1.7	2.0	\$32,000-\$42,000
		1,0	
RN OR	3.5	4.0	\$58,000-\$72,000
Tech OR	3.5	4.0	\$42,000-\$52,000
RN PACU/Pre-Op	3.0	4.0	\$58,000-\$72,000
Other Clinical	2.5	3.0	\$29,000-\$35,000
Materials Manager	1.0	1.0	\$38,000-\$44,000
Total FTE's	19.0	22.0	+

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

The applicant, its affiliated HCA companies, and TriStar Southern Hills Medical Center are familiar with ASTC staffing requirements of the TDH Licensure program. There are few clinical staff needed to implement the project--approximately sixteen nursing and surgical tech FTE's. It is anticipated that most will be transferred to the relocated ASTC from the hospital's own staff, since most of the projected cases will come from the hospital.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

Southern Hills Surgery Center is not currently involved in the training of students in the healthcare professions.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE:

Board for Licensure of Healthcare Facilities

Tennessee Department of Health

CERTIFICATION:

Medicare Certification from CMS

TennCare Certification from TDH

ACCREDITATION: AAAHC

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed by the Board for Licensing Health Care Facilities, and is certified for participation in Medicare and Medicaid/TennCare. It was fully accredited by AAAHC (Accreditation Association for Ambulatory Health Care).

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(II)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

February 25, 2014

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural & engineering contract signed	6	3-1-15
2. Construction documents approved by TDH	96	6-1-15
3. Construction contract signed	110	6-15-15
4. Building permit secured	140	7-1-15
5. Site preparation completed	171	8-1-15
6. Building construction commenced	185	8-15-15
7. Construction 40% complete	307	12-15-15
8. Construction 80% complete	427	4-15-16
9. Construction 100% complete	549	8-15-16
10. * Issuance of license	564	9-1-16
11. *Initiation of service	594	10-1-16
12. Final architectural certification of payment	625	12-1-16
13. Final Project Report Form (HF0055)	685	2-1-17

 $[\]star$ For projects that do NOT involve construction or renovation: please complete items 10-11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

A.4 Ownership--Legal Entity and Organization Chart (if applicable)

A.6 Site Control

B.II.A. Square Footage and Costs Per Square Footage Chart

B.III. Plot Plan

B.IV. Floor Plan

C, Need--3 Service Area Maps

C, Economic Feasibility--1 Documentation of Construction Cost Estimate

C, Economic Feasibility--2 Documentation of Availability of Funding

C, Economic Feasibility--10 Financial Statements

C, Orderly Development--7(C) Licensing & Accreditation Inspections

Miscellaneous Information

Support Letters

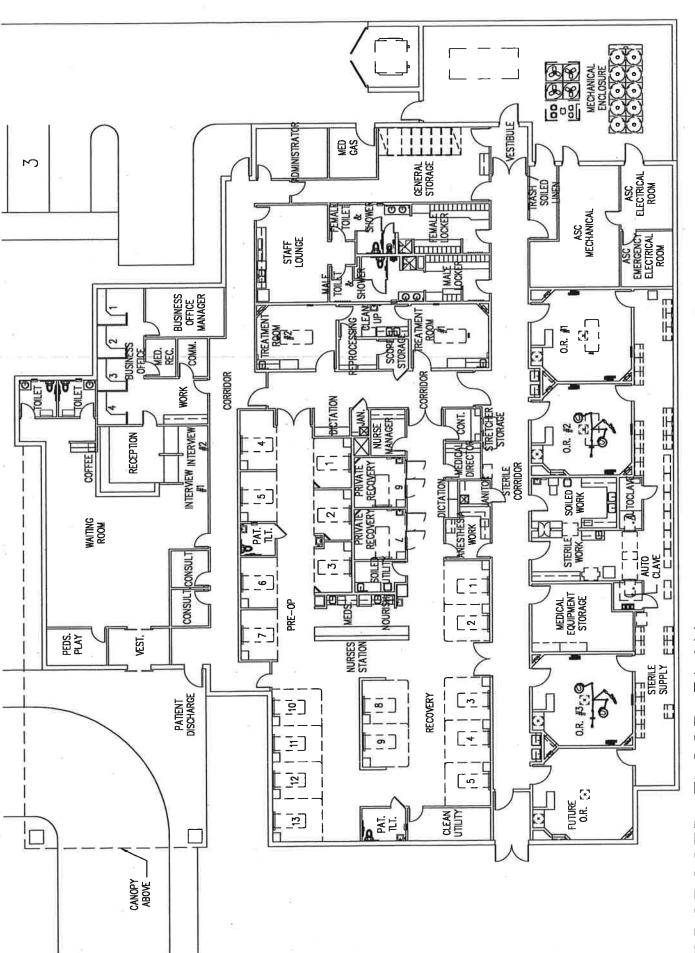
B.II.A.--Square Footage and Costs Per Square Footage Chart

SOUTHERN HILLS SURGERY CENTER / SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

	85										_	UPP				4 to 17 1							
									1500	veter i	100000	day.		and l	NIIVS!	·	georg.	************	Nove	npei	25		14
al	Total			\$419,850.00	\$218,250.00	\$860,625.00	\$167,400.00	\$840,825.00	\$658,575.00				THE RESERVE THE PARTY OF THE PA					\$3,165,525.00	\$200,700.8	\$708,300.00	\$4,074,525.00	\$2,444,715.00	\$6,519,240.00
Proposed Final Cost / SF	New			\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00										\$225.00	\$225.00	\$225.00	\$135.00	\$360.00
3	Renovated																						
	Total			1,866	970	3,825	744	3,737	2,927									14,069	892	3,148	18,109	18,109	18,109
Proposed Final Square Footage	New			1,866	970	3,825	744	3,737	2,927									14,069	892	3,148	18,109	18,109	18,109
e S	Renovated													[
Proposed	Location																						
Temporary	Location																						
Existing	R H																						
Existing	Location									,,,,,													
*in1 * * * * * * * * * * * * * * * * * * *	S. Olike Department		BUILD OUT	Waiting/Public	Business Office	Pre/Post Op	Treatment Rooms	Operating Suite	Support									B. Unit/Dept. GSF	C. Mechanical / Electrical GSF	D. Circulation / Structure GSF	E. Build Out Total	SHELL BUILDING	F. Total GSF

B.III.--Plot Plan

B.IV.--Floor Plan



PROPOSED FLOOR PLAN

C, Need--3 Service Area Maps

http://www.mob-rule.com/g7?q=Rutherford+County%2C+TN&0=Load

SOUTHERN HILLS SURGERY CENTER

PRIMARY SERVICE AREA

C, Economic Feasibility--1 Documentation of Construction Cost Estimate

William E. Hereford, III Principal Thomas Dooley Senior Principal



October 24, 2014

RE: Southern Hills Surgery Center

To Whom It May Concern,

Hereford Dooley Architects, an architectural firm registered to practice in the state of Tennessee, has reviewed the cost data provided for the three (3) operating room, two (2) treatment room ambulatory surgery center. The stated construction cost is \$4,074,525.00. It is our opinion that the proposed construction cost appears to be reasonable for this project type and size and compares favorably with other completed projects similar to this type and size. The proposed site will require extensive site work.

This is a summary of the current building codes enforced for this project:

International Building Code (IBC)	2006
International Fuel and Gas Code (IFGC)	2006
International Plumbing Code (IPC)	2006
International Mechanical Code (IMC)	2006
National Electrical Code (NEC)	2005
NFPA 101 Life Safety Code	2006
North Carolina Handicap Accessibilities Act with 2004 Amendments	1999
Americans with Disabilities Act	2010
AIA Guidelines for Design and Construction of Healthcare Facilities	2010
(We will utilize the 2014 AIA Guidelines when adopted by the State of To	ennessee)

Respectfully,

Hereford Dooley Architects

Thomas A. Dooley AIA tom.dooley@hdarchitects.com Senior Principal

C, Economic Feasibility--2 Documentation of Availability of Funding

110 Winners Circle, First Floor Brentwood, TN 37027 (615) 886-4900

November 14, 2014

Melanie M. Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson State Office Building, 9th Floor 500 Deaderick Street Nashville, Tennessee 37243

RE: Southern Hills Surgery Center CON Application--Replacement

Dear Mrs. Hill:

Southern Hills Surgery Center, an affiliate of TriStar Southern Hills Medical Center, is applying for a Certificate of Need to move to a new location within Davidson County.

There are two wholly-owned HCA subsidiaries that will develop the project. Southpoint, LLC will construct and lease a shelled building at a cost of approximately \$5,600,000, and Surgicenter of Southern Hills, Inc. will lease, finish out and equip the building at a cost of approximately \$9,283,000.

As President and Chief Financial Officer of TriStar Health System, the HCA Division Office to which this facility belongs, I am writing to confirm that HCA Holdings, Inc., the parent company for HCA and for the above named subsidiaries, will provide through TriStar the estimated \$14,883,000 in capital costs required to implement this project. HCA Holdings, Inc.'s financial statements are provided in the application.

Sincerely

Stephen E. Corbeil, FACHE

President

TriStar Health System, a Division of HCA

C. Eric Lawson

Chief Financial Officer

TriStar Health System, a Division of HCA

C, Economic Feasibility--10 Financial Statements

	8,036	91.0	7,879	93.4
Income before income taxes	800	9.0	555	6.6
Provision for income taxes	246	2.7	128	1.5
Net income	554	6.3	427	5.1
Net income attributable to noncontrolling interests	130	1.5	113	1.4
Net income attributable to HCA Holdings, Inc.	\$424	4.8	\$314	3.7
Diluted earnings per share	\$0.92		\$0.68	
Shares used in computing diluted earnings per share	(000) 458,535		461,131	
Comprehensive income attributable to HCA Holdings,	Inc. \$541		\$297	

HCA Holdings, Inc.

Condensed Consolidated Comprehensive Income Statements For the Years Ended December 31, 2013 and 2012 (Dollars in millions, except per share amounts)

8	V			
	201	3	201	2
	Amount	Ratio	Amount	Ratio
Revenues before provision for doubtful accounts	\$38,040		\$36,783	
Provision for doubtful accounts	3,858		3,770	
Revenues	34,182	100.0%	33,013	100.0%
Nevenues		100		
Salaries and benefits	15,646	45.8	15,089	45.7
Supplies	5,970	17.5	5,717	17.3
Other operating expenses	6,237	18.2	6,048	18.3
Electronic health record incentive income	(216)	(0.6)	(336)	(1.0)
Equity in earnings of affiliates	(29)	(0.1)	(36)	(0.1)
Depreciation and amortization	1,753	5.1	1,679	5.1
Interest expense	1,848	5.4	1,798	5.4
Losses (gains) on sales of facilities	10		(15)	
Loss on retirement of debt	17	0.1	-	100
Legal claim costs			175	0.5
Eegal dami eeste	31,236	91.4	30,119	91.2
Income before income taxes	2,946	8.6	2,894	8.8
Provision for income taxes	950	2.8	888	2.7
Net income	1,996	5.8	2,006	6.1
Net income attributable to noncontrolling interests	440	1.2	401	1.2
Net income attributable to HCA Holdings, Inc.	\$1,556	4.6	\$1,605	4.9
Diluted earnings per share	\$3.37	•	\$3.49	ı
Shares used in computing diluted earnings per share (000)	461,913	3	459,403	3
Comprehensive income attributable to HCA Holdings, Inc.	\$1,756	5	\$1,588	3

HCA Holdings, Inc.
Supplemental Non-GAAP Disclosures
Operating Results Summary
(Dollars in millions, except per share amounts)

For the Years

	Fourth Quarter		End	
	2013	2012	Decemb 2013	er 31, 2012
Revenues	\$8,836	\$8,434	\$34,182	\$33,013
Net income attributable to HCA Holdings, Inc.	\$424	\$314	\$1,556	\$1,605
Losses (gains) on sales of facilities (net of tax)	(2)	(6)	7	(9)
		-	11	-
Loss on retirement of debt (net of tax)	-	110	-	110
Legal claim costs (net of tax) Net income attributable to HCA Holdings, Inc., excluding losses				
Net income attributable to HCA Holdings, Inc., excluding 199999	422	418	1,574	1,706
(gains) on sales of facilities, loss on retirement of debt and legal				
claim costs (a)	461	425	1,753	1,679
Depreciation and amortization	456	462	1.848	1,798
Interest expense	245	188	959	947
Provision for income taxes	130	113	440	401
Net income attributable to noncontrolling interests	100			
Adjusted EBITDA (a)	\$1,714	\$1,606	\$6,574	\$6,531
Diluted earnings per share:				20.40
Net income attributable to HCA Holdings, Inc.	\$0.92	\$0.68		\$3.49
Losses (gains) on sales of facilities	•	(0.01)		(0.02)
Loss on retirement of debt	3		0.02	
Legal claim costs	-	0.24	-	0.24
Net income attributable to HCA Holdings, Inc., excluding losses				
(gains) on sales of facilities, loss on retirement of debt and legal	\$0.92	\$0.91	\$3.41	\$3.71
claim costs (a)	i.			
Oldini oddia (m)	N			
Shares used in computing diluted earnings per share (000)	458,535	461,131	461,913	459,403

Net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and Adjusted EBITDA should not be considered as measures of financial performance under generally accepted accounting principles ("GAAP"). We believe net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and Adjusted EBITDA are important measures that supplement discussions (a) and analysis of our results of operations. We believe it is useful to investors to provide disclosures of our results of operations on the same basis used by management. Management relies upon net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and Adjusted EBITDA as the primary measures to review and assess operating performance of its hospital facilities and their management teams.

Management and investors review both the overall performance (including:net income attributable to HCA Holdings)(including:Inc.)(including:excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and GAAP net income attributable to HCA Holdings, Inc.) and operating performance (Adjusted EBITDA) of our health care facilities. Adjusted EBITDA and the Adjusted EBITDA margin (Adjusted EBITDA divided by revenues) are utilized by management and investors to compare our current operating results with the corresponding periods during the previous year and to compare our operating results with other companies in the health care industry. It is reasonable to expect that losses (gains) on sales of facilities and losses on retirement of debt will occur in future periods, but the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our health care facilities and complicate period comparisons of our results of operations and operations comparisons with other health care companies.

Net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and Adjusted EBITDA are not measures of financial performance under GAAP and should not be considered as alternatives to net income attributable to HCA Holdings, Inc. as a measure of operating performance or cash flows from operating, investing and financing activities as a measure of liquidity. Because net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and Adjusted EBITDA are not measurements determined in accordance with GAAP and are susceptible to varying calculations, net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, loss on retirement of debt and legal claim costs, and Adjusted EBITDA, as presented, may not be comparable to other similarly titled measures presented by other companies.

HCA Holdings, Inc.
Condensed Consolidated Balance Sheets

(Dollars in	millions)	/	
	/		(4
	V		
	December 31,	September 30,	
	2013	2013	2012
ASSETS			
Current assets:	\$414	\$484	\$705
Cash and cash equivalents	5,208	4,924	4,672
Accounts receivable, net	1,179	1,135	1,086
Inventories Deferred income taxes	489	400	385
	747	828	915
Other Total current assets	8,037	7,771	7,763
Total current assets	•		
Property and equipment, at cost	31,073	30,472	29,527
Accumulated depreciation	(17,454)	(17,150)	(16,342)
Accumulated approximation	13,619	13,322	13,185
	13,010		,
Investments of insurance subsidiaries	448	402	515
Investments of insurance subsidiaries Investments in and advances to affiliates	121	125	104
Goodwill and other intangible assets	5,903	5,832	5,539
Deferred loan costs	237	250	290
Other	466	691	679
	\$28,831	\$28,393	\$28,075
	\$20,00 .	V ,	
			13
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities:		04 500	\$1,768
Accounts payable	\$1,803		
Accrued salaries	1,193		
Other accrued expenses	- 1,913 · 786	•	
Long-term debt due within one year	5,695		
Total current liabilities	5,650	0,410	0,
and the state	27,590	27,389	27,495
Long-term debt	949		
Professional liability risks Income taxes and other liabilities	1,525		1,776
Income taxes and other nationes	.,		Φ.
EQUITY (DEFICIT)		(0.070)	(9,660)
Stockholders' deficit attributable to HCA Holdings, Inc	c. (8,270)		
Noncontrolling interests	1,342		
Total deficit	(6,928		
	\$28,831	\$28,393	φ20,07 5

HCA Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012
(Dollars in millions)

	2013	2012
Cash flows from operating activities:	\$1,996	\$2,006
Net income Adjustments to reconcile net income to net cash provided by operating activities:	·	
Changes in operating assets and liabilities	(4,272)	(3,663)
Provision for doubtful accounts	3,858	3,770
Depreciation and amortization	1,753	1,679
Income taxes	143	96
	10	(15)
Losses (gains) on sales of facilities	17	· · ·
Loss on retirement of debt	_	175
Legal claim costs Amortization of deferred loan costs	55	62

C, Orderly Development--7(C) Licensing & Accreditation Inspections

SUPPORT LETTERS



Wendy B. Sumner Alexander, PA-C

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Mark A. Williams, M.D., Ph.D

Otolaryngology

November 12, 2014

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Signature:

Medical Specialty:

November 12, 2014

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Respectfully,

Signature:

Name: I. CLIFFORD RETIER

Medical Specialty: POPLATRIC SURGERY



Southern Hills Surgical Consultants

397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Suhail H. Allos, M.D., FACS

TriStarMedGroup.com

James T. Ettien, M.D., FACS

Thomas C. Krueger, M.D., FACS

RE: CON Application to Relocate the Southern Hills Surgery Center Jeff F. Seebach, M.D., FACS

Mark W. Shelton, M.D., FACS

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Respectfully,

Signature:

Name: Jeff Sechach, MB Medical Specialty: General Surgeon



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397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882

TriStarMedGroup.com

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Respectfully,

Signature Man Sulla Mane: Mark W. Shellan Man. Medical Specialty: Vascular Swayang



Southern Hills Surgical Consultants

397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882 TriStarMedGroup.com

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Suhail H. Allos, M.D., FACS

James T. Ettien, M.D., FACS

Thomas C. Krueger, M.D., FACS

CON Application to Relocate the Southern Hills Surgery Center RE:

Jeff F. Seebach, M.D., FACS

Mark W. Shelton, M.D., FACS

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Respectfully,

Signature:

Name: S. Allos
Medical Specialty: 6. Smyrn



November 12, 2014

Southern Hills Surgical Consultants

397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882 TriStarMedGroup.com

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Respectfully

Medical Specialty:

HOMAS C. KRUEGER MD, FACS general, Vascular & Thoracce Surgery

J. ALLEN SUDBERRY, D.P.M.

SOUTHERN HILLS MEDICAL CENTER 397 WALLACE RD., BLDG. C, STE. 311 NASHVILLE, TN 37211 PHONE 615-712-7366 FAX 615-712-7858

- * BOARD CERTIFIED IN FOOT SURGERY & RECONSTRUCTIVE REARFOOT/ANKLE SURGERY AMERICAN BOARD OF PODIATRIC SURGERY
- FELLOW, AMERICAN COLLEGE OF FOOT & ANKI SURGEONS

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

James a. Indhe

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Respectfully,

Signature:

Name: James A. Sudberry, DPM

Medical Specialty: Podiatry



Jonathan Rotker, M.D., FACG

Jonathan Benson, M.D.

Anthony Montemuro, M.D.

November 12, 2014

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Respectfully,

Signature:

Name: Jonathan Benson

Medical Specialty: Gastrouterology



Jonathan Rotker, M.D., FACG

Jonathan Benson, M.D.

Anthony Montemuro, M.D.

November 12, 2014

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Respectfully,

Signature

Name:

TONATHAN D. ROTKER MD. FACE

Medical Specialty: GASTROENTEROLOGY

Free Comments of the Comments

AFFIDAVIT

STATE OF _	TENNESSEE_	
COUNTY OF	DAVIDSON	

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, et seq., and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of November, 2014 a Notary

Public in and for the County/State of DAVIDSON

STATE OF TENNESSEE NOTARY PUBLIC OF TENNESSEE NO

My commission expires

July 2, (Month/Day)

2018 (Year)

NOTARY PUBLIC

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place an ad online 24/7 at Tennessean.com/classifieds

ALL CLASSIFIED ADS

careerbuilder



> Public Notices



Public Notices

REQUEST FOR QUALIFICATIONS

THE METSOPOLITAN NASHVILLE AIRPORT AUTHORITY
(MNAA) is requesting statements of Qualifications from exploration from swift extensive experience at Bodouge Handlins
system for the CIP 1987, Prairect Management of Quibound Base
page Load Balancine arrived at the Noshville Intersolvant, Airport Noshville, remessee.

FLECTRONIC SYATEMENTS DE QUALIFICATIONS should be
suppristed Haraugh users seemed of gens by 700 a.m. (becat time)





NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF WEED
This is to provide official notice to the Health Services
apprent Agency and all interested appries, in account C.A. Sections 40-T1 (60), et seq., and the Robs of
Services and Development Agency, that Southern this A Settlors All Sevelopment Agency, that Serthern Hills Services and probable visualized freatment center), switched and application is an a Certificate of Agency of Seathern Hills, for its carrier lends to file an application for a Certificate or Need to form 360 Wolface Road, Machiwite, TN 37711, to leases a building 10 be constructed at an application of Old Flickory Brand American General Way, in Breatwood, Jennesse This afters within Davieson County adjoining Sid Hickory Brand American General Way, in Breatwood, Jennesse This afters within Davieson County adjoining Sid Hickory and test from a rule east of the intersection of Did Hickory to the South and 185. The facility will purture the source on indice of Is current building three operation to be some can be desired from the testing to the facility in a section of the facility is currently licensed as an Ambulation I reaction that itempore will continue at the new local problem will not contain reach medical samplement and when any licensed data of filing the application is entire the facility, who may be reached at Development Support General S

Hillsborn Road 50fe 210. Nestwite the 210 and the fact written request by interested parties a factor fact public hearing stell be conducted. Written requests for stand be sent to tennessee Hearthi Services and Devoluminant Agent Andrew Jockson Building. (In Floor 502 Egoderick Street Mushwitte 7N 3779)

Pursuant to TCA Sec. 89-11 1607(2)117 (A) my health of utilion wishing to unpose a Certificate of Need ounicut lile a written objection, with the Hearth Services and ment Agency no later than differen (15) days before the scheduled results Services and Development Agency mishing to oppose the application must the written with the dealth services and Development Agency marks on with the dealth Services and Development Agent prior to the consideration or the application by the Agency prior to the consideration or the application by the Agency

SUPPLEMENTAL-#1 -Copy-

Southern Hills Surgery Center

CN1411-047

SUPPLEMENTAL #1 November 25, 2014 8:45 am

DSG Development Support Group

November 24, 2014

Phillip M. Earhart, HSD Examiner
Jeff Grimm, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1411-047

Southern Hills Surgery Center

Dear Mr. Earhart:

This letter responds to your November 20 request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section A., Applicant Profile, Item 12

Please clarify how the existing Medicare and Medicaid certifications are current if the last cases at the ASTC were performed in 2008.

To the best of our knowledge, there is nothing in the Medicare or Medicaid regulations that would cause a certification to lapse or terminate due to a lack of cases being performed. Southern Hills did not seek to terminate the certification since the intent was always to reactivate the license at the appropriate time.

We believe that provider numbers are assigned indefinitely during the designated provider's existence as a licensed entity, and are not cancelled during a period of inactivity so long as the license remains in force.

If that is no longer the case for either program when this proposed facility opens more than a year from now, the applicant will apply for a new provider number. For the present, however, both numbers listed in Part A of the application are believed to be valid.

Page Two November 24, 2014

2. Section A., Applicant Profile, Item 6

The option to lease is noted. Please include the expected term and monthly payments.

The submitted option document states on page 2, section 1.3b, that the term will be ten years and the annual rent will be \$507,052 with an annual 3% escalator. Therefore, the monthly rent would be approximately \$42,254 in Year One. Although that amount exceeds the applicant's lease payment for the current building, a significant savings will be realized at the new location because the applicant will be paying an affiliated HCA company, thus recapturing the payment for the parent company. In addition, a lease comparison would not be "apples to apples", because at the new location, the applicant will be leasing a new and much larger footprint, in conformity to current design standards and codes.

3. Section B, Project Description, Item I.

a. In CN0412-110A the applicant stated up to 49% ownership in the ASTC will be offered to the surgeons on the medical staff of Southern Hills Medical Center. Please clarify if physicians pulling out of the venture were the reason for closing the surgery center? What has changed that would result in physicians willing to invest in the ASTC now?

In 2008, TriStar Southern Hills Medical Center was experiencing decreases in utilization. Many physicians were moving their practices off of the hospital campus. Because of the lower surgery case volume, the hospital and the ASTC found themselves sharing a limited number of cases. Two commonly owned separate multispecialty surgical facilities close together on the same campus could not be justified. So the ASTC cases were brought back to the hospital temporarily, to operate more efficiently.

Today, in 2014, TriStar Southern Hills Medical Center is in a different and better position. Its parent company HCA has made significant capital investments in the campus to upgrade plant operation and equipment, and has made significant investments in physician recruitment and in expanding subspecialist coverage. As a result, the hospital has experienced greater volumes of inpatient surgery, and is experiencing increased medical staff demand for O.R. time during peak surgery hours.

Page Three November 24, 2014

By re-activating the ASTC, and moving it to a larger space, many outpatient cases can be moved off of the hospital O.R. schedule, leaving more available time for inpatient cases. With growing caseloads, an expanded medical staff, and the prospect of a larger and better facility for ambulatory surgery, there is now strong renewed physician interest in participation. In fact, discussions with the surgery staff about re-syndicating the ASTC at a better location began in early 2014, well before HCA knew it could acquire the Old Hickory Boulevard site where this project will be constructed.

Relocating the ASTC to a more visible location near I-65 and Old Hickory Boulevard is very satisfactory to the surgical staff. Their patients' drive times from across the service area counties will be as good as they are now, on average.

b. Please clarify if the current license is in active or inactive status.

The license is inactive, and its status is subject to an annual review by the Licensure Board. Documentation is attached after this page.

c. Why did the applicant decide to move 5.5 miles from the current location?

The application has demonstrated that relocation is needed to obtain a larger facility that complies with current design standards. In planning a relocation, it was felt that it should be reasonably accessible to the surgical staff and to residents of its current service area counties, but need not remain on the hospital campus. Remaining in South Davidson County was a priority, however. For long-range development purposes, the applicant's parent company HCA acquired a large 53-acre tract of land 12 minutes west of the current site, with immediate access to an interstate highway and a major east-west roadway. TriStar Southern Hills Medical Center management saw that this would be an ideal location for the new surgery center. They requested, and were allocated, a portion of the tract with road frontage on Old Hickory Boulevard, which is this project's site.

Attached following this page is a map of Davidson County that shows how the proposed location is only a minimal shift of location well within South Davidson County.

SUPPLEMENTAL #1

November 25, 2014 8:45 am



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
DIVISION OF HEALTH LICENSURE & REGULATION
OFFICE OF HEALTH CARE FACILITIES
665 MAINSTREAM DRIVE, SECOND FLOOR
NASHVILLE, TENNESSEE 37243
TELEPHONE (615) 741-7221
FAX (615) 741-7051

February 12, 2014

Jerry W. Taylor, Attorney Stites & Harbison, PLLC 401 Commerce Street, Suite 800 Nashville, TN 37219

RE:

Fifth Extension Waiver request – License Inactive Status Southern Hills Surgery Center, Nashville; License #185

Dear Mr. Taylor:

The Board for Licensing Health Care Facilities met on January 23, 2014. The following request was granted:

A FIFTH EXTENSION WAIVER WAS GRANTED FOR TWELVE (12) MONTHS TO ALLOW SOUTHERN HILLS SURGERY CENTER'S LICENSE TO REMAIN ON INACTIVE STATUS THROUGH FEBRUARY 7, 2015.

Board action was taken in accordance with Section 68-11-206, Chapter 11, Tennessee Code Annotated, which gives the Board authority to place a license in an inactive status.

Please notify this office in writing of any changes to prove that you are meeting the requirement that was waived.

If you have any questions you may contact this office at (615) 741-7221.

July 1

Ann Rutherford Reed, RN, BSN, MBA

Director of Licensure

Division of Health Care Facilities

ARR/weh

Sincerely

cc:

ETRO

File

Delores Willis

Copyright © and (P) 1988–2010 Microsoft Corporation and/or its suppliers. All rights reserved, http://www.microsoft.com/mappoint/
Contrien mapping and direction data © 2010 NAVTEQ. All rights reserved. The Data for stress of Canada includes information taken with permission from Canada and direction data © 2010 NAVTEQ. All rights reserved. The Data for stress of Canada, © Cusen's Printer for Canada, © Canada and NavTEQ and NAVTEQ on BOARD are trademarks of NAVTEQ. © 2010 by Applied Geographic Systems. All rights reserved.

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SUPPLEMENTAL #1

Page Five November 24, 2014

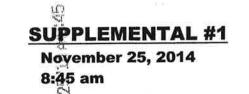
g. Can the applicant provide 2007 ASTC patient origin by zip code for Southern Hills Surgery Center? If so, please provide. If not available, please provide for the outpatient surgeries for Southern Hills Medical Center for the most recent year available.

On page 26 of the submitted application, Table Six provided projected patient origin by county for the relocated surgery center, based on the hospital's current outpatient surgery patient origin by county. That is logical, because the surgery center will reopen with cases transferred directly from the hospital campus. The hospital data included all hospital GI cases performed in the ASTC building across Wallace Road.

Following this page are zip code-based supplemental tables supporting that projection. They show that the hospital's current zip code-based patient origin for outpatient surgeries does not differ significantly from the 2007 patient origin of the ASTC.

Supplemental Table One-A provides the <u>current</u> zip code-level patient origin data for all outpatient surgeries performed in 2013-2014 at Tri-Star Southern Hills Medical Center (including endoscopies).

Supplemental Table One-B provides the <u>2007</u> zip-code-level patient origin data for all surgeries performed at the ASTC.



Supplemental Table One-A: Southern Hills Medical Center
November 2013-October 2014 Patient Origin By Zip Code--All Outpatient Surgeries
For Zip Codes Contributing 10 or More Patients

Zip Code and Post Office	County of Post Office	Patients	Cumulative Patients	% By Zip Code	Cumulative %
37211 - NASHVILLE	DAVIDSON	551	551	22.74%	22.74%
37013 - ANTIOCH	DAVIDSON	462	1,013	19.07%	41.81%
37217 - NASHVILLE	DAVIDSON	141	1,154	5.82%	47.63%
37167 - SMYRNA	RUTHERFORD	110	1,264	4.54%	52.17%
37086 - LA VERGNE	RUTHERFORD	86	1,350	3.55%	55.72%
37027 - BRENTWOOD	WILLIAMSON	80	1,430	3.30%	59.02%
7210 - NASHVILLE	DAVIDSON	62	1,492	2.56%	61.58%
7214 - NASHVILLE	DAVIDSON	59	1,551	2.43%	64.01%
7135 - NOLENSVILLE	DAVIDSON	47	1,598	1.94%	65.95%
7076 - HERMITAGE	DAVIDSON	31	1,629	1.28%	67.23%
7122 - MOUNT JULIET	DAVIDSON	30	1,659	1.24%	68.47%
7206 - NASHVILLE	DAVIDSON	30	1,689	1.24%	69.71%
37207 - NASHVILLE	DAVIDSON	29	1.718	1.20%	70.90%
7115 - MADISON	DAVIDSON	28	1,746	1.16%	72.06%
7209 - NASHVILLE	DAVIDSON	27	1,773	1.11%	73.17%
7129 - MURFREESBORO	RUTHERFORD	27	1,800	1.11%	74.29%
7064 - FRANKLIN	WILLIAMSON	26	1.826	1.07%	75.36%
7221 - NASHVILLE	DAVIDSON	23	1,849	0.95%	76.31%
7130 - MURFREESBORO	RUTHERFORD	22	1,871	0.91%	77.22%
7128 - MURFREESBORO	RUTHERFORD	21	1,892	0.87%	78.08%
8401 - COLUMBIA	MAURY	20	1,912	0.83%	78.91%
7204 - NASHVILLE	DAVIDSON	20	1.932	0.83%	79.74%
7174 - SPRING HILL	MAURY	19	1.951	0.78%	80.52%
7075 - HENDERSONVILLE	DAVIDSON	18	1,969	0.74%	81.26%
7208 - NASHVILLE	DAVIDSON	17	1,986	0.70%	81.96%
7091 - LEWISBURG	MARSHALL	16	2,002	0.66%	82.62%
7067 - FRANKLIN	WILLIAMSON	16	2,018	0.66%	83.28%
7220 - NASHVILLE	DAVIDSON	15	2,033	0.62%	83.90%
7127 - MURFREESBORO	RUTHERFORD	15	2.048	0.62%	84.52%
7072 - GOODLETTSVILLE	DAVIDSON	14	2,062	0.58%	85.10%
7087 - LEBANON	WILSON	14	2,076	0.58%	85.68%
7218 - NASHVILLE	DAVIDSON	14	2,090	0.58%	86.26%
7138 - OLD HICKORY	DAVIDSON	14	2,104	0.58%	86.83%
7216 - NASHVILLE	DAVIDSON	12	2,116	0.50%	87.33%
7160 - SHELBYVILLE	BEDFORD	11	2,127	0.45%	87.78%
7172 - SPRINGFIELD	ROBERTSON	11	2,138	0.45%	88.24%
7203 - NASHVILLE	DAVIDSON	10	2,148	0.41%	88.65%
OTHER ZIP CODES , <10 PATIENTS		275	2,423	11.35%	100.00%
TOTAL OUTPATIENT SURGERIES		2,423			

Note: Some of the unlisted "other" zip code are also based in Davidson, Rutherford, and Wilson Counties.

Supplemental Table One-B: Southern Hills Surgery Center 2007 Patient Origin by Zip Code For Zip Codes Contributing 10 or More Patients Exp Code Post Office County of Post Office Patients Cumulative Patients % by Zip Code Cumulative %												
Zip Code		County of Post Office	Patients	Cumulative Patients	% by Zip Code	Cumulative %						
37211	NASHVILLE	DAVIDSON	573	573	22.75%	22.75%						
37013	ANTIOCH	DAVIDSON	527	1100	20.92%	43.67%						
37217	NASHVILLE	DAVIDSON	176	1276	6.99%	50.66%						
37027	BRENTWOOD	WILLIAMSON	148	1424	5.88%	56.53%						
37086	LA VERGNE	RUTHERFORD	133	1557	5.28%	61.81%						
37167	SMYRNA	RUTHERFORD	123	1680	4.88%	66.69%						
37214	NASHVILLE	DAVIDSON	51	1731	2.02%	68.72%						
37129	MURFREESBORO	RUTHERFORD	50	1781	1.98%	70.70%						
37135	NOLENSVILLE	WILLIAMSON	- 44	1825	1.75%	72.45%						
37210	NASHVILLE	DAVIDSON	42	1867	1.67%	74.12%						
37064	FRANKLIN	WILLIAMSON	40	1907	1.59%	75.70%						
37220	NASHVILLE	DAVIDSON	34	1941	1.35%	77.05%						
37122	MOUNT JULIET	WILSON	28	1969	1.11%	78.17%						
37128	MURFREESBORO	RUTHERFORD	27	1996	1.07%	79.24%						
37076	HERMITAGE	DAVIDSON	26	2022	1.03%	80.27%						
37067	FRANKLIN	WILLIAMSON	24	2046	0.95%	81.22%						
37206	NASHVILLE	DAVIDSON	24	2070	0.95%	82.18%						
37221	NASHVILLE	DAVIDSON	23	2093	0.91%	83.09%						
37130	MURFREESBORO	RUTHERFORD	22	2115	0.87%	83.96%						
37209	NASHVILLE	DAVIDSON	22	2137	0.87%	84.84%						
37138	OLD HICKORY	DAVIDSON	17	2154	0.67%	85.51%						
37174	SPRING HILL	MAURY	17	2171	0.67%	86.18%						
37069	FRANKLIN	WILLIAMSON	14	2185	0.56%	86.74%						
37207	NASHVILLE	DAVIDSON	14	2199	0.56%	87.30%						
38401	COLUMBIA	MAURY	14	2213	0.56%	87.85%						
37216	NASHVILLE	DAVIDSON	13	2226	0.52%	88.37%						
37075	HENDERSONVILLE	SUMNER	12	2238	0.48%	88.84%						
37015	ASHLAND CITY	CHEATHAM	11	2249	0.44%	89.28%						
37072	GOODLETTSVILLE	DAVIDSON	11	2260	0.44%	89.72%						
37204	NASHVILLE	DAVIDSON	11	2271	0.44%	90.15%						
37215	NASHVILLE	DAVIDSON	11	2282	0.44%	90.59%						
HER ZIP	CODES < 10 PATIENTS		237	2,519	9.41%	100.00%						
OTAL SUR	GERIES		2,519									

Note: Some of the unlisted "other" zip code are also based in Davidson, Rutherford, and Wilson Counties.

Page Six November 24, 2014

h. Are there other locations closer to Southern Hills that could be viable options for relocation?

None was identified. During 2013 HCA began searching for a large tract of land in South Davidson County for multi-use development, not for an ASTC site. When HCA acquired the 53 acres of AIG property on Old Hickory Boulevard, a corner of that property was empty and immediately developable. It made sense for Southern Hills management to focus on that site where it would be able to lease its ASTC space from an HCA-owned lessor.

i. What is the current surgical volume at 360 Wallace Road, Nashville (Davidson County) TN 37211?

Table Ten-A on page 34 of the application provides 2011-2014 cases at that location (the ASTC building). The CY2014 cases were annualized based on January through October. The hospital expects to perform more than 2,500 endoscopic cases in that building during CY2014.

k. When will the lease expire at 360 Wallace Road?

It will expire on January 31, 2020.

I. Please complete the following chart:

						Licensure	Licensure
ASTC	OR#1	OR#2	OR#3	PR#1	PR#2	Standard	Standard
Locations	SF	SF	SF	SF	SF	OR	PR
360							
Wallace	318	317	321	319	237		
Road	SF	SF	SF	SF	SF	400 SF	150
New							
Proposed	415	415	415	237	237		
Location	SF	SF	SF	SF	SF	-	

Note:

1. In the submitted application the hospital estimated the existing ASTC OR's at approximately 340 SF. The architect has done on-site measurement now and those rooms average 319 SF as shown in the table. Therefore, the new O.R.'s will be 30% larger in floor space, rather than the 22% figure cited on page 15 of the application. There will also be a 75% increase in pre-op stations (7, not 4).

2. The Licensure category for a procedure room is changing to "Class A operating room/minimal anesthesia".

Page Four November 24, 2014

d. Why did the applicant decide to cease operations at the Southern Hills Surgery Center in 2008?

Please see response 3a above. In 2008, there was far too much surgical capacity available in the ASTC and hospital suites. Keeping two facilities open on the same campus did not make sense at that time. The economy was depressed; fewer elective surgeries were being requested. At that time (unlike today) the hospital had sufficient surgical capacity to absorb the ASTC's caseloads. So operation of the ASTC was suspended.

e. If there have been no surgeries at Southern Hills Surgery Center for the past 6 years, why is it needed now?

As discussed above, re-opening of the ASTC now has strong medical staff support and it will provide two areawide benefits: greater accessibility for some areas of southern Davidson County and northern Williamson County; and lower costs for payors due to the lower reimbursement schedules in effect for ASTC's.

The hospital will also benefit from moving cases out of the hospital surgical rooms. This will free up O.R. time at peak periods for inpatient cases, which helps the medical staff. The active medical staff has 39 surgeons now compared to 20 in 2008. This includes 7 neurosurgeons. More surgeons will be coming on staff in the near future. The hospital's ability to schedule inpatient surgeries at optimal times is limited by a shortage of pre-op and PACU/post-op support space, by surgeons' unwillingness to utilize one O.R. with inefficient configuration, and by the number of outpatient surgeries in the O.R. suite.

f. Where are Tri-Star patients that require outpatient surgeries in the Southern Hills area referred to now?

They typically are served in the TriStar Southern Hills Medical Center's O.R.'s. Patients whose insurance coverage does not extend to the hospital (such as Blue Cross "Plan S" enrollees) will be referred to another facility. The applicant has no information on where those patients are referred. That information is privately held in physician practices and is not available.

One benefit of moving many outpatient cases back into a reactivated ambulatory surgery center is that under the TriStar contract with Blue Cross, the hospital's surgical staff will be able to serve Blue Cross Plan S enrollees in the ASTC, which they cannot do in the hospital.

Page Seven November 24, 2014

m. Southern Hills Surgery Center (CN0412-110) was approved in February 2005 by the Agency. When did the ASTC open and close? When did it reopen as a department of the hospital?

The ASTC was licensed and became operational on July 26, 2005. It ceased to perform cases as an ASTC on November 5, 2008. The hospital began using it for hospital endoscopy cases on February 28, 2011.

n. In CN0412-110A the applicant stated the Southern Hills Surgery Center, LP project was needed to help alleviate the hospital campus' significant problems of physical accessibility due to congested parking on its constrained hilltop site. If this application is approved to relocate the ASTC, will those physical accessibility problems arise again on the main hospital campus of Southern Hills? Please clarify if physical accessibility issues have resurfaced since the closure of the ASTC in 2007.

After the ASTC closed in 2008, there were some traffic, parking, and pedestrian issues; and as the hospital grows in utilization these will increase. However, to mitigate them, the hospital now provides roving transport to ferry visitors from their parking spaces to the hospital and its medical office buildings. And the hospital now has a large parking lot on the south edge of its campus that almost always has ample parking space available.

The current "Endoscopy Center" building will close in CY2016 once the new surgery center is open. Some of those endoscopy cases and their associated traffic will come back into the hospital campus. However, at the same time, an equal number of other outpatient cases will move out of the hospital surgical suite into the new ASTC location. These shifts of outpatients will offset one another, so the project will not exacerbate traffic at the hospital campus.

o. Why did the applicant continue to lease the building at 360 Wallace Road, Nashville, TN for almost 7 years after the ASTC was shut down?

First, because its lease remains in force through January 2020. Second, because it was a physical asset that the hospital could rent and utilize to take endoscopy cases out of the hospital surgical suite, opening up more O.R. time for inpatient cases. Third, because the hospital has always intended to relocate it with a new syndication--once medical staff interest renewed, and surgical volumes made it feasible, and a site could be acquired.

Page Eight November 24, 2014

p. In CN0412-110A the applicant stated the impact of Southern Hills Surgery Center, LP project will primarily be on Southern Hills Medical Center itself, being a redeployment of Southern Hills' cases within its own campus. In addition, the applicant stated the projected case load of the facility amounted to approximately half of the surgical case volume at Southern Hills Medical Center in 2003 and almost two-thirds of the outpatient case volume. Please clarify if the surgical cases mentioned above remained at SHMC after approval of CN0412-110A. If not, where were the surgeries performed?

That 2004 ASTC application projected case volumes of 2,720 and 3,400 cases in its first two full years of operation. The ASTC achieved case volumes of 2,587 and 2,819 cases in its first two full calendar years of operation (2006-2007). The shortfall in cases presumably remained in the hospital. The applicant has no way of knowing where else those patients may have been served, or how many there were.

- q. Please clarify how the hospital operated an endoscopy center at the Southern Hills Surgery Center which is licensed as an ASTC?
- T.C.A. §68-11-209(f) authorizes a hospital to provide outpatient therapeutic and diagnostic services on a site located outside of its main campus without a waiver or approval of the BLHCF. Since the ASTC license is on inactive status, we are aware of no prohibition against performing hospital-based services in the building. A Joint Commission survey of the hospital was conducted in June, 2013 and no deficiency or concern about this practice was noted. See the letter attached following this page.

From the Federal perspective, in 2011 the hospital notified Medicare of its intent to use the vacant ASTC facility for endoscopic cases; excerpts from that document are attached following the Joint Commission letter after this page.

So the hospital is appropriately (a) operating this building as a department of the hospital, and (b) reporting its cases in the hospital Joint Annual Reports.

r. Please clarify if the hospital reported endoscopy cases performed in a licensed ASTC as being performed in a hospital setting in the Joint Annual Reports.

Yes. Those cases were included in the hospital's Joint Annual Reports from 2008 through 2013.

SUPPLEMENTAL #1

November 25, 2014 8:45 am



June 24, 2013

Thomas Ozburn CEO Southern Hills Medical Center 391 Wallace Road Nashville, TN 37211 Joint Commission ID #: 7890 Program: Hospital Accreditation Accreditation Activity: Unannounced Full Event Accreditation Activity Completed: 06/12/2013

Dear Mr. Ozburn:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit <u>Quality Check®</u> on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Mark G.Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

SUPPLEMENTAL #1

November 25, 2014 8:45 am

Southern Hills Medical Center

TRIZISTAR HEALTH SYSTEM.

Via Federal Express

June 23, 2011

Cahaba GBA Part A Provider Enrollment Attn: Provider Audit and Reimbursement 300 Corporate Parkway Birmingham, AL 35242

Re:

Southern Hills Medical Center

To Whom It May Concern:

Enclosed please find the relevant sections of the Medicare enrollment application (CMS-855A) for Southern Hills Medical Center. This change of information is being submitted to address the following:

- 1. Effective February 28, 2011, Southern Hills Medical Center moved our OP endoscopy department to a new practice location off campus.
- 2. We updated Section 1 to request the change of Medicare information and practice location information.
- 3. Section 2B1 was completed per instructions for Southern Hills Medical Center.
- 4. On Section 3 the practice location for the Tristar Endoscopy Center was added with an open date of February 28, 2011.
- 5. In Section 4 A the practice location information was updated for the new location address and phone number.
- 6. In Section 4 B we added the P.O. Box to which special payments and remittance notices should be sent.

If you have questions regarding the above, do not hesitate to contact me at (615) 781-4150 or by e-mail at john.porada@hcahealthcare.com. Thank you for your attention to this matter.

Sincerely,

John T. Porada

Chief Financial Officer

lc

Enclosure

SECTION 15: CERTIFICATION STATEMENT (Continued)

B. 151 AUTHORIZED OFFICIAL SIGNATURE

I have read the contents of this application. My signature legally and financially binds this provider to the laws, regulations, and program instructions of the Medicare program. By my signature, I certify that the information contained herein is true, correct, and complete, and I authorize the Medicare fee-for-service contractor to verify this information. If I become aware that any information in this application is not true, correct, or complete, I agree to notify the Medicare fee-for-service contractor of this fact immediately.

CHECK ONE	☐ CHANGE	☐ ADD	☐ DELETE
DATE (mm/dd/yyyy)	£		
A	uthorized Official's I	nformation and Sig	nature
First Name THOMAS	Middle Initial H.	Last Name OZBURN	Suffix (e.g., Jr., Sr.)
elephone Number 615) 781-4150			Title/Position CEO
Authorized Official Signature	y, Middle, Last Name, Jr., Sr., M.D	., D.O., etc.)	Date Signed (mm/dd/yyyy)
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SECTION 1: BASIC INFORMATION

REASON FOR APPLICATION	BILLING NUMBER INFORMATION	REQUIRED SECTIONS
☐ You are a new enrollee in Medicare	Enter your Medicare Identification Number (if issued) and the NPI you would like to link to this number in Section 4.	Complete all sections except 2F, 2G, and 2H
 □ You are enrolling with another fee-for-service contractor's jurisdiction □ You are reactivating your Medicare enrollment 	Enter your Medicare Identification Number (if issued) and the NPI you would like to link to this number in Section 4.	Complete all sections except 2F, 2G, and 2H
You are voluntarily terminating your Medicare enrollment	Effective Date of Termination: Medicare Identification Number that is terminating (if issued): NPI (if issued):	Complete sections: 1, 2B1, 13, and either 15 or 16
☐ There has been a Change of Ownership (CHOW) of the Medicare-enrolled provider You are the: ☐ Seller/Former Owner ☐ Buyer/New Owner	Medicare Identification Number (if issued): NPI: Tax Identification Number:	Seller/Former Owner: 1A, 2F, 13, and either 15 or 16 Buyer/New Owner: Complete all sections except 2G and 2H
 Your organization has taken part in an Acquisition or Merger You are the: Seller/Former Owner Buyer/New Owner 	Medicare Identification Number of the Seller/Former Owner (if issued): NPI: Tax Identification Number:	Seller/Former Owner: 1A, 2G, 13, and either 15 or 16 Buyer/New Owner: 1A, 2G, 4, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and 6 for the signer if that authorized or delegated official has not been established for this provider.
 ☐ Your organization has Consolidated with another organization You are the: ☐ Former organization ☐ New organization 	Medicare Identification Number of the Seller/Former Owner (if issued): NPI: Tax Identification Number:	Former Organizations: 1A, 2H, 13, and either 15 or 16 New Organization: Complete all sections except 2F and 2G
You are changing your Medicare information	Medicare Identification Number (if issued): 440197 NPI: 1720032345	Go to Section 1B
You are revalidating your Medicare enrollment	Enter your Medicare Identification Number (if issued) and the NPI you would like to link to this number in Section 4.	Complete all sections except 2F, 2G and 2H

SECTION 1: BASIC INFORMATION (Continued)

B. Check all that apply and complete the required sections:

	REQUIRED SECTIONS
☐ Identifying Information	1, 2 (complete only those sections that are changing), 3, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
☐ Adverse Legal Actions/Convictions	1, 2B1, 3, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
Practice Location Information, Payment Address & Medical Record Storage Information	1, 2B1, 3, 4 (complete only those sections that are changing), 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
Ownership Interest and/or Managing Control Information (Organizations)	1, 2B1, 3, 5, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
Ownership Interest and/or Managing Control Information (Individuals)	1, 2B1, 3, 6, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
☐ Chain Home Office Information	1, 2B1, 3, 7, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
☐ Billing Agency Information	1, 2B1, 3, 8 (complete only those sections that are changing), 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
☐ Special Requirements for Home Health Agencies	1, 2B1, 3, 12, 13, and either 15 (if you are the authorized official) or 16 (if you are the delegated official), and Section 6 for the signer if that authorized or delegated official has not been established for this provider.
Authorized Official(s)	1, 2B1, 3, 6, 13, and 15.
Delegated Official(s) (Optional)	1, 2B1, 3, 6, 13, 15, and 16.

132

Page Nine November 24, 2014

s. Please describe the location of the current ASTC in relation to Southern Hills Medical Center.

The ASTC is diagonally across Wallace Road from the hospital, no more than 100 yards away. It is part of the hospital campus--staffed, utilized, and controlled by the hospital. It is treated as a Department of the Hospital.

4. Section B, Project Description, Item Π.A.

Please provide the square footage and costs per square footage chart as referenced in Attachment B.II.A.

The chart is attached following this page.

- 5. Section B, Project Description, Item III.B.1.
 - a. Please provide an overview of bus services available at the current site at 360 Wallace Road, Nashville and the proposed site.

Please see the two Metro bus route maps attached following this page. The hospital and the ASTC currently have bus service to the intersection of Wallace Road and Nolensville Road, at the edge of the hospital campus. A bus line currently goes by the proposed ASTC site at American Way and Old Hickory Boulevard.

b. Please clarify if TennCare will provide round trip transportation for TennCare enrollees to the new site.

TennCare currently provides transportation to and from the hospital campus, which includes the ASTC; and the applicant expects that this would also be available at the new site, which is within the same county.

Page Ten November 24, 2014

- 6. Need, Item 1. (Service Specific Criteria-Construction, Renovation, Expansion, and replacement of Health Care Institutions, #2.b)
 - a. The applicant has provided 10 letters of support from physicians for the proposed ASTC relocation. Please clarify if additional letters of physician support will be submitted expressing interest in participating at the new location.

Additional letters of physician support are attached at the end of this letter. More may be received as time goes on. If so, the applicant will forward them to the Agency.

b. Why has physician's interest in the ASTC resurfaced since 2008?

This has been addressed above in several prior questions. Briefly, many new surgeons have joined the staff since 2008. The active surgical staff is almost twice as large now: 39 (including 7 neurosurgeons) compared to 20. Inpatient cases are increasing and operating room space is in higher demand in peak hours; the larger and improved ASTC floor plan is much more attractive to the surgeons than was the former ASTC.

7. Section C, Need, Item 4.B.

a. In CN0412-010A, the applicant noted the area immediately around Southern Hills in southeastern Davidson County has a lower income and is more ethnically diverse than nearby parts of northern Rutherford and north Williamson Counties. The applicant stated Southern Hills surgery center will be very TennCare accessible. Please clarify how the applicant plans to serve the above mentioned population if the surgery center is moving 5.5 miles closer to Northern Williamson County.

The surgeons who are committing to use the new location are already on the Southern Hills staff and their existing primary care physician referral base within these three counties will continue to refer patients to them. The Southern Hills surgeons will be able to schedule their ambulatory patients into the new ASTC. The new ASTC, like TriStar Southern Hills Medical Center, will be completely accessible to TennCare patients. It will be in the same TennCare MCO contracts, will be staffed by the same surgeons, and will be in the same primary service area county.

Page Eleven November 24, 2014

b. What is the existing payor mix of surgical cases performed at 360 Wallace Road, Nashville?

The supplemental table below provides a comparison of payor mix data for the facilities and years concerned. This also addresses question 7b below.

Supplemental Table Two: Payor Mix Comparisons Southern Hills Medical Center -- All Outpatient Surgery, 2014 Southern Hills Endoscopy Center, 2014 Southern Hills Surgery Center 2007

Southern Hills Surgery Center Projected 2017

Facility/Year	Medicare	Medicaid	Charity/Self Pay	Other
Southern Hills				
Med Center, All	70			*
OP Surgery, 2014	46.2%	16.2%	3.6%	34.0%
Southern Hills			, and a	
Endoscopy Center,				
2014 (Endo Only)	33.7%	9.2%	0.9%	56.2%
Southern Hills		*	8.	
Surgery Center, 2007	14.7%	5.0%	0.3%	80.0%
Southern Hills				
Surgery Center, 2017	17.3%	12.1%	0.5%	70.1%

Notes:

- 1. SH Med Center data is for all hospital outpatient surgeries, wherever performed.
- 2. SH Endoscopy Center data is a breakout for current endoscopy cases being performed at 360 Wallace Road (the surgery center building), as a Department of the Hospital.
- 3. Southern Hills Surgery Center data is for its last full year (2007) under an active license, and for its first year (2017) at the proposed new location.

Page Twelve November 24, 2014

8. Section C, Need, Item 6.

Please provide the following information for Southern Hills Medical Center for the most recent year available.

The requested data is shown below. The theoretically available (100%) surgical room capacity is 120,000 minutes--based on 8 hours per day per room, 250 days per year.

One O.R. is so small (long and narrow) that it is no longer scheduled. Nor is there pre-op and post-op/PACU (post-anesthesia care unit) space to support many more O.R. cases than the hospital is currently performing. Were the hospital to close the surgery center without a replacement facility, the hospital could not accommodate all of its approximately 2,500 endoscopy cases within the hospital surgical suite.

					Turn-	Total		_
FE.			Cases	Surgical	around	Room	Schedu-	% of
			Per	Minutes	Minutes	Minutes	lable	Schedulable
CY 2013	No.	Cases	Room	Used	(Av'ge)	Used	minutes	Time Used
Operating	1,01				110,055			
Rooms	8*	3,335	417	436,314	(33)	546,369	960,000*	57%
Endoscopy								
Procedure					36,435			
Rooms**	3**	2,429	810	71,172	(15)	107,607	360,000	30%
Subtotal,								
Operating &		ĺ						
Proced.					32			27
Rooms	11	5,764	524	507,486	146,490	653,976	1,320,000	50%
Cystoscopy								
Procedure					9,009	22.641	100.000	19%
Rooms	1	273	273	13,632	(33)	22,641	120,000	19%
Other								
Procedure								
Rooms	0	0	0	0	0	0	0	0
Total All								
Surgical								470/
Rooms	12	6,037	503	521,118	155,499	676,617	1,440,000	0 P is not

*The hospital JAR reports 9 O.R.s and 1 cystoscopy room, but one O.R. is not schedulable due to being too long and narrow to accommodate the surgical teams and their equipment.

** The 3 endoscopy rooms are located in the ASTC building.

Page Thirteen November 24, 2014

b. Please clarify why the applicant is only projecting a 25% increase in surgical cases from 2,519 in 2007 to 3,170 in 2017.

The projection is based on the applicant's individual physician interviews. Not every physician will be moving all of his or her ambulatory cases to the new location. A larger caseload transfer is hoped for; but the application intends to be conservative in its projections.

Also, please note that this will be CAGR (compound annual growth rate) of more than 2% annually over that decade--which is not an insignificant rate of increase.

9. Section C. Economic Feasibility Item 1 (Project Cost Chart) and Item 3

Please clarify why the total construction cost of \$360.00/sq ft. is higher than the 3rd quartile construction cost of \$223.62 for ASTC projects approved by the Agency from 2011 to 2013.

Costs appear to be increasing rapidly. The midpoint of the Registry years is 2012. This facility will be constructed in 2015 and 2016, which will impose several more years of cost inflation. Currently HCA's surgery center division is building two new freestanding ASTC's in Kansas City and Dallas. The former is costing \$395 PSF and the latter is \$370 PSF. Also, the company believes that it constructs its surgery centers to very high design standards, which increases front-end costs but is appropriate considering life-cycle costs.

10. Section C, Economic Feasibility, Item 4 (Historical Data Chart and Projected Data Chart)

If possible, please provide a historical data chart for 2007.

That Chart is attached following this page.

Page Fourteen November 24, 2014

11. Section C, Economic Feasibility, Item 9

a. Please briefly discuss how the Affordable Care Act will impact unreimbursed patient care and profitability.

In its present form, the Act should increase the number of persons with insurance coverage, especially if Tennessee opts into the Medicaid expansion options in the program. This may induce more persons to seek medical care earlier than they have been able to in the past. If this occurs the applicant will likely see a modest increase in surgical cases and net revenues in the years ahead.

b. What was the ASTC payor mix in 2007? How does that compare to projected payor mix?

	Projected
2007	2017
14.7 %	17.3 %
5.0 %	12.1%
0.3 %	0.5%
80.0%	70.1%
	14.7 % 5.0 % 0.3 %

These payor mix data are also shown in Supplemental Table One above, in response to question 7b.

12. Section C, Economic Feasibility, Item 10

Please provide the latest audited financial statements for HCA Holdings, Inc.

The income statement and balance sheet that were provided in the Attachments to the submitted application are the most recent audited statements of HCA Holdings, Inc. as submitted in the company's Annual Report.

Page Fifteen November 24, 2014

13. Section C, Orderly Development, Item 2.

The applicant mentions moving several thousand annual cases from a hospital setting to an ASTC setting. Please complete the following chart to measure the impact on Southern Hills Medical Center of the surgical volume relocation.

Actual and Projected Surgical Utilization: 2007-2017
Southern Hills Medical Center and Southern Hills Surgery Center

	Sout	пеги п	IIIIS IVIE	cuicai (enter	and Su	ппетп	111112 12	uiguiy	Септег	
		2007	2008	2009	2010	2011	2012	2013	2014	2017	2018
Hospital	#ORs	9	9	9	9	9	9	9	8	8	8
	#PRs	1	1	1	1	1	1	1	1	1	1
	Cases	3,611	3,544	3,741	3,332	3,158	3,459	3,608	3,810	3,974	4,549
	Inpatient	1,312	1,247	1,133	970	883	1,170	1,217	1,391	1,564	1,627
	Outpatient	2,299	2,297	2,608	2,362	2,275	2,289	2,391	2,419	2,410	2.922
	Cases/room	361	354	374	333	316	346	361	423	442	505
						*					
ASTC	#ORs	3	3	3	3	3	3	3	3	3	3
	#PRs	2	2	2	2	2	2	2	2	2	2
	Cases	2,519	1,390	0	0	2,206	2,351	2,459	2,429	3,170	3,602
	Cases/room	504	556	0	0			5			

Notes:

1. Hospital cases do not include outpatient endoscopies performed in the ASTC from 2011 through 2014.

2. The ASTC cases in 2011-14 are endoscopy cases performed in the ASTC as a department of the hospital.

3. The ASTC cases in 2017-2018 have the case mix as projected on p. 35 of the application.

4. The hospital no longer schedules cases into one of its OR's, which is too long and narrow to be acceptable to the medical staff, although it is approximately the minimum total SF allowable under Licensure standards.

5. The projection methodology for hospital cases is shown on the worksheet following this page. As discussed in the original application, ASTC projections reflect physician interviews conducted by HCA's surgery center development staff.

0	191		DGY for Act n Hills Med								
		2007	2008	2009	2010	2011	2012	2013	2014	ASTC Yr 1 2017	ASTC Yr 2 2018
Hospital	# Operating Rooms	9	9	9	9	9	9	9	8	8	8
	# Procedure Rooms	1	1	1	1	1	1	1	1	1	1
	Total Rooms	10	10	10	10	10	10	10	9	9	9
0.00	Cases	3,611	3,544	3,741	3,332	3,158	3,459	3,608	3,810	3,974	4,549
),t	IP	1,312	1,247	1,133	970	883	1,170	1,217	1,391	1,564	1,627
	OP	2,299	2,297	2,608	2,362	2,275	2,289	2,391	2,419	2,410	2,922
	Cases/Room	361	354	374	333	316	346	361	423	442	505
ASTC	# Operating Rooms	3	3	3	3	3	3	3	3	3	3
	# Procedure Rooms	2	2	2	2	2	2	2	2	2	2
	Total Rooms	5	5	5	5	5	5	5	5	5	5
	Cases	2,519	1,390	0	0	2,206	2,351	2,429	2,542	3,170	3,602
	Cases/Room	504	278	0	0	441	470	486	508	634	720

Projection of Hospital Cases:

1. Hospital IP cases have increased recently at approximately 4% annually; the projection is for this to continue through 2018.

2014 annd	2015	2016	2017	2018
1391	1446	1504	1564	1627
change:	4%	4%	4%	4%

2. Hospital OP cases have increased recently at approximately 4% annually; the projection is for this to continue through 2018.

	2014 annd	2015	2016	2017	2018
Non-endo OP cases	2,419	2,515	2,617	2,721	2,830
Endo OP cases	2,542	2,644	2,749	2,859	2,974
Total OP cases	4,961	5,159	5,366	5,580	5,804
	change:	4%	4%	4%	4%

3. The ASTC is projected to derive all of its cases in Year One from the hospital and 80% of its cases in Year Two from the hospital. In other words, in Year Two the ASTC will have 20% of its cases from new referrals not taken from the hospital.

This will leave the following OP cases at the hospital.

*	2014 annd	2015	2016	2017	2018	
Non-endo OP cases	2,419	2,515	2,617	2,721	2,830	
Endo OP cases	2,542	2,644	2,749	2,859	2,974	
Total Available OP cases	4,961	5,159	5,366	5,580	5,804	
ASTC Cases Being Moved f	3,170	2,882	(2,882 is 80% of 3,602 Ye			
NET Hospital OB cases				2.410	2.022	P. Carrieron

(2,882 is 80% of 3,602 Year Two ASTC caseloads)

Page Sixteen November 24, 2014

14. Section C, Orderly Development, Item 3.

- a. Licensing and Accreditation Inspections are listed in the Index of Attachments. Please provide.
- b. Since the hospital performed endoscopies in a licensed ASTC, please provide the latest licensure survey for the license listed below.

118.	Administrator: TIM EVANS	Facility License Number:
SOUTHERN HILLS	Owner Information:	00000185
SURGERY CENTER	SURGICARE OF	Status: Licensed
360 WALLACE ROAD	SOUTHERN HILLS, INC.	Date of Last Survey:
NASHVILLE, TN 37211	360 WALLACE ROAD	10/19/2006
Attn: TIM EVANS	NASHVILLE, TN 37211	Accreditation Expires:
(615) 332-3030	(615) 332-3030	Date of Original
,		Licensure: 07/26/2005
		Date of Expiration:
		07/22/2015

That entry in the Index of Attachments was a placeholder, because the applicant expected to be able to locate those documents and to submit them during the supplemental cycle.

However, after best efforts in searching corporate and facility archives, the ASTC owner has not yet been able to find either the most recent (10-19-06) licensing inspection/ plan of correction, or the most recent AAAHC accreditation inspection or certificate (probably done in 2005 or 2006).

The applicant will continue to pursue those seven-year-old documents in TDH Licensure files and at AAAHC offices, and if located they will be submitted to the Agency. The applicant respectfully requests that lack of these documents at the present time not delay acceptance into the December 1 CON review cycle.

c. Please clarify if the applicant will pursue Joint Commission Accreditation.

The ASTC will pursue re-accreditation by the AAAHC (American Association for Accreditation of Health Care), the organization which had previously accredited this facility.

Page Seventeen November 24, 2014

Additional Supplemental Information

Attached after this page are two revised application pages. Page 28R has a corrected title (name of project) and page 35R corrects the entries for Urology cases in Years One and Two.

Also attached are Joint Commission Certificates of Distinction for TriStar Southern Hills Medical Center. The hip and knee certificates illustrate programs now growing at the hospital. A spinal program is also in place and the hospital anticipates Certificates of Distinction in that area too. This information is to illustrate why the hospital anticipates strong growth in its inpatient and outpatient surgery volumes.

It should also be mentioned that although the ASTC and the hospital are separate legal entities, HCA considers them to be operationally unified, in the sense that they are one provider entity for planning and evaluation purposes. Transfer of surgical cases from the hospital to the ASTC is not regarded as an adverse impact on their combined operations in terms of case volumes. So, although the hospital in these tables is incurring a "loss of surgeries", it is not adversely impacting the hospital in the view of the parent company because the "lost" cases are remaining within the company and within the control of TriStar Southern Hills' operational team.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn Consultant

ohn Wellbon

V

SUPPLEMENTAL #1

November 25, 2014 8:45 am

TENNESSEE WOMEN'S CARE, PC

Obstetrics and Gynecology

November 12, 2014

343 Franklin Road | Suite 108 | Brentwood, TN 37027 T 615-373-1255 F 615-371-9040

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

From: Stephen Michael Staggs M.D., M.T.S.
Tennessee Obstetrics & Gynecology
343 Franklin Road, Brentwood, Tennessee 37027

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

I have worked in Brentwood for 32 years on Franklin Road and patients need this surgery center.

Respectfully,

Stephen Staggs

Royce T. Adkins, M.D. Melody R. Adler, M.D.

D. Phillips Altenbern, M.D.

Anne F. Anderson, M.D.

Brian C. Beatty, M.D.

Lewis J. Bellardo, M.D.

Anne Blake, M.D.

Phillip L Bressman, M.D.

ill F. Chambers, M.D.

ames F. Daniell, M.D.

... Wade Davidson, M.D.

Sathy A. Deppen, M.D.

effrey D. Draughn, M.D.

delanie A. Dunn, M.D.

oe Michael Edwards, M.D.

rederick L Finke, M.D.

imes H. Growdon, M.D.

thonda T. Halcomb, M.D.

evin M. Hamilton, M.D.

atherine C. Haney, M.D.

Bruce Hirsch, M.D.

isa M. Jabusch, M.D.

iryan R. Kurtz, M.D.

Newton Loworn Ir. M.D.

hn W. Macey In, M.D.

oseann Maikis, M.D.

farol H. McCullough, M.D.

am Houston Moran, M.D.

isa B. Morgan, M.D.

lizabeth L. Oldfield, M.D.

ichard E. Presley, M.D.

jelissa G. Reynolds, M.D.

herrie A. Richards, M.D.

leoffrey H. Smallwood, M.D.

atherine M.Thomburg, M.D.

C.......... 1 J...... 1000

100 I N. J. W. TNI 2720

T / IC 00/ 0400 E / IE 00/ 07

SUPPLEMENTAL #1

November 25, 2014 8:45 am



November 12, 2014

Southern Hills Surgical Consultants 397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882 TriStarMedGroup.com

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Suhail H. Allos, M.D., FACS

James T. Ettien, M.D., FACS

Thomas C. Krueger, M.D., FACS

Jeff F. Seebach, M.D., FACS

Mark W. Shelton, M.D., FACS

Dear Mrs. Hill:

RE:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

CON Application to Relocate the Southern Hills Surgery Center

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Signature:

ecialty: Surger Name:

Medical Specialty:

November 25, 2014 8:45 am



DR. DAVID GILPIN

Facial Plastic & Reconstructive Surgery, ENT

397 Wallace Road * Holmes Plaza * Suite 101 Nashville, TN 37211 * 615-942-7301 * www.DrDavidGilpin.com

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We could be interested in that opportunity and would appreciate the Agency's favorable consideration of this project.

Respectfully,

David A. Gilpin, M.D.

Facial Plastic and Reconstructive Surgery/Otolaryngology

November 25, 2014 8:45 am

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Signature: Polit A Herrice MD

Name: Robert A. Merrice MD

Medical Specialty: Neurosurgery

AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY:		ġ.	
Southern	Milla	SUMBON	Quita
Sounden	MINE	myery	Comper
1 25		. V /	

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 25th day of November, 2014, witness my hand at office in the County of DAVIDSON, State of Tennessee.

NOTARY PUBLIC

My commission expires $\underline{\mathcal{I}}$

HF-0043

Revised 7/02

APPLICANT'S ADDITIONAL INFORMATION

Southern Hills Surgery Center CN1411-047

DSG Development Support Group

February 11, 2015

Mark Farber, Deputy Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE:

CN1411-047

Southern Hills Surgery Center

Dear Mr. Farber:

This letter transmits a 2006 TDOH licensure survey and a 2007 accreditation inspection of the subject surgery center, whose change of site is scheduled for HSDA review later this month. These 8-year-old surveys are the most recent TDOH and AAAHC surveys that were conducted at the facility, which subsequently suspended operation.

At the time CN1411-047 was accepted for CON review, they could not be located by the management company that operated the surgery center in those years. Because the age of the surveys, your staff graciously allowed the application to proceed into the review process. However, now that they have been located and forwarded to us, as promised, I am submitting them for the Agency's file on this project.

Please contact me should you have any questions about this.

Respectfully,

John Wellborn



TENNESSEE DEPARTMENT OF HEALTH **DIVISION OF HEALTH LICENSURE AND REGULATION** OFFICE OF HEALTH CARE FACILITIES 665 MAINSTREAM DRIVE SECOND FLOOR NASHVILLE, TN 37243

DAVIDSON COUNTY, STATE OF TENNESSEE

I, Vincent L. Davis, Director of the Division of Health Care Facilities, as keeper of the records for the Tennessee Department of Health, Division of Health Care Facilities hereby certify that this is a true and accurate copy of the records and/or reports requested regarding Southern Hills Surgery Center; Nashville, TN.

December 3, 2014 Vincent L. Davis, MPH

Date

Director, Division of Health Care Facilities

Health Care Facilities

Subscribed and sworn to before me this 3rd day of December, 2014.

congression expires on the 21st day of June, 2016

TENPOSSEE NOTARY PUBLIC

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Bailey Floyd

From:

Ann R. Reed

Sent:

Tuesday, December 02, 2014 10:11 AM

To:

Bailey Floyd Vincent Davis

Cc: Subject:

FW: Southern Hills Surgery Center, License No. 185

Bailey

Have you seen the below records request for the above named facility?

Ann Rutherford Reed, RN, BSN, MBA

ann Richargord Road

Director of Licensure

Division of Health Licensure and Regulation

Office of Health Care Facilities 665 Mainstream Drive, 2nd Floor

Nashville, TN. 37243

ann.r.reed@tn.gov

Office Telephone (615)741-7221 Direct Telephone (615)532-6595

Fax (615)253-8798

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From: Taylor, Jerry [mailto:jerry.taylor@stites.com]

Sent: Monday, November 24, 2014 8:39 AM

To: Ann R. Reed

Cc: John Wellborn (jwdsq@comcast.net)

Subject: Southern Hills Surgery Center, License No. 185

*** This is an EXTERNAL email. Please exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. - OIR-Security***

Ann, we are working on responses to Supplemental Questions for a CON application to relocate this surgery center. We have been asked to provide a copy of the most recent survey results. The license has been on inactive status for several years. We understand the last state survey occurred in 2006. Would your office have a copy of the deficiency

statement, POC, etc.? If so, would you please e-mail a copy to me? The responses are due Tuesday afternoon. I appreciate your assistance.

Jerry

Jerry W. Taylor Member

STITES HARBISON PLLC

Direct: 615-782-2228 Fax: 615-742-0703 jerry_taylor@stites.com

401 Commerce Street, Suite 800, Nashville, TN 37219

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PRINTED: 10/23/20(FORM APPROVE

STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP535185 NAME OF PROVIDER OR SUPPLIER STREET AL				A. BUILDING B. WING		COMPL	(X3) DATE SURVEY COMPLETED 10/19/2006		
	UTHERN HILLS SURGERY CENTER, LP SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENT/FYING INFORMATION) 1001 1200-8-1010 (1) Infectious and Hazardous Waste (1) Each ambulatory surgical treatment center must develop, maintain and implement writte			DRESS, CITY, S' LACE ROAD LE, TN 3721:	TATE, 21P CODE				
(X4) ID PREFIX TAG	(EACH DEFICIENCY	Y MUST BE PRECEEDED BY	FULL	ID PRÉFIX TAG	PROVIDER'S PLAN OF C (EACH CORRECTIVE ACTIVE CROSS-REFERENCED TO THE DEFICIENCY DEFICIENCY CROSS TO THE DEFICIENCY CROSS TO TH	ON SHOULD BE HE APPROPRIATE	COMPLE DATE		
	Waste (1) Each ambulator must develop, mair policies and proced handling of its infect these policies and the standards of the applicable state and This Statute is not Based on observative, it was deter contain biohazardo site of generation por October 19, 200 biohazardous waste liner. Continued observation during on October 19, 200 biohazardous waste materials in the recontinued observation second biohazardous waste materials in the recontinued observation with the respiratory supplies liner. The above findings oberservation with the Room Director, and On October 19, 200 facility policy entitled Service" revealed the revenue of the policy entitled Service" revealed the revenue of the policy entitled Service" revealed the revenue of the policy entitled Service" revealed the respiratory revealed the policy entitled Service" revealed the respiratory revealed the policy entitled Service" revealed the respiratory revealed the policy entitled Service of the policy entitled Service	ry surgical treatment of the control	center written n and wastes, nply with er licy falled to at the dealed a bag liner, led a the liner that ard d bag es time of erating anager, of the al e in the	A1001	Dea ostached				

PRINTED: 10/23/2006 FORM APPROVED Division of Health Care Facilities STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X3) DATE SURVEY (X2) MULTIPLE CONSTRUCTION AND PLAN OF CORRECTION **IDENTIFICATION NUMBER:** COMPLETED A BUILDING B. WING TNP535186 10/19/2006 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE 360 WALLACE ROAD SOUTHERN HILLS SURGERY CENTER, LP NASHVILLE, TN 37211 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION ID (X5) (X4) ID (EACH DEFICIENCY MUST BE PRECEEDED BY FULL PREFIX (EACH CORRECTIVE ACTION SHOULD BE COMPLETE PREFIX REGULATORY OR LSC IDENTIFYING INFORMATION) CROSS-REFERENCED TO THE APPROPRIATE DATE TAG TAG DEFICIENCY) A1001 A1001 Continued From page 1 red bags at the site of generation. A1109 A1109 1200-8-10-.11 (4)(a)6. Records and Reports (4) Unusual events shall be reported by the facility to the Department of Health in a format designed by the Department within seven (7) business days of the date of the identification of the abuse of a patient or an unexpected occurrence or accident that results in death, life threatening or serious injury to a patient. (a) The following represent circumstances that could result in an unusual event that is an unexpected occurrence or accident resulting in death, life threatening or serious injury to a patient, not related to a natural course of the patient's illness or underlying condition. The circumstances that could result in an unusual event include, but are not limited to: 6. perioperative/periprocedural related complication(s) that occur within 48 hours of the operation or the procedure, including a procedure which results in any new central neurological deficit or any new peripheral neurological deficit with motor weakness; This Statute is not met as evidenced by: Based on record review and interview, the facility failed to report two unusual incidents to the Department of Health within seven business days

of the date of the unexpected occurrence.

Medical record review revealed Patient #12

esophagogastroduodenoscopy. Continued

The findings included:

presented to facility #1 on

an annual basis.

The findings included:

Based on record review and interview, it was determined that the facility failed to provide proof of participation in the Tennessee Emergency Management Agency (TEMA) emergency plan on

Record review on October 19, 2006 at 4:40 PM

Division of Health Care Facilities (X3) DATE SURVEY STATEMENT OF DEFICIENCIES (X2) MULTIPLE CONSTRUCTION (X1) PROVIDER/SUPPLIER/CLIA COMPLETED AND PLAN OF CORRECTION IDENTIFICATION NUMBER: A. BUILDING B. WING 10/19/2006 TNP535185 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER 360 WALLACE ROAD SOUTHERN HILLS SURGERY CENTER, LP NASHVILLE, TN 37211 (X5) COMPLETE DATE PROVIDER'S PLAN OF CORRECTION SUMMARY STATEMENT OF DEFICIENCIES (X4) ID (EACH CORRECTIVE ACTION SHOULD BE (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX CROSS-REFERENCED TO THE APPROPRIATE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG TAG DEFICIENCY) A1418 A1418 Continued From page 3 revealed that the facility had no documentation of participation in emergency planning provided by TEMA. Interview with the administrator and the regional risk manager on October 19, 2006 at 4:45 PM revealed that the facility has not participated in the emergency plan provided by TEMA.

Division of Health Care Facilities

Southern Hills Surgery Center

360 Wallace Road Nashville, Tennessee 37211 Phone: 615.332.3030 Fax: 615.332.3029 MITTO HE REG.

November 1, 2006

Nina Monroe, Regional Administrator State of Tennessee Department of Health Bureau of Health Licensure and Regulation Middle Tennessee Regional Office 710 Hart Lane, 1st Floor Nashville, Tennessee 37247-0530

Re: Plan of Correction - Southern Hills Surgery Center

Dear Ms. Monroe,

Per your request, attached you will find our Plan of Correction ("PoC") covering the deficiencies cited in your letter dated October 19, 2006.

(1) <u>Biohazard waste container with used materials and no liners and used with liners improperly placed.</u>——Housekeeping staff "Excel" and there supervisor were inserviced and instructed on biohazard waste containers and proper bag placement by Sandra Long October 19th, staff were inserviced October 30th regarding biohazard waste and proper use. Safety

officer will do a monthly check for compliance.

TAG A 1109 (1) The facility failed to report two unusual incidents to the Department of health.----Reports will be sent with plan of correction. by Sandy Montgomery Regional Risk Manager and Ginger Ura Clinical Manager November 1st. Guidelines for reporting were printed and given to Regional Risk Manager and Clinical Manager. We will review occurrences against reporting guidelines and report all applicable occurrences.

TAG A 1418
(1) No participation in emergency planning provided by TEMA.--October 25th Sandy Montgomery filled out Basic Healthcare Facility information and faxed to the local office of emergency management. The form with any corrections will be sent on an annual basis to the local emergency management office.

Division of Health Care Facilities

PRINTED: 10/20/200 FORM APPROVE

	of correction	(X1) PROVIDER/SUPPLIE IDENTIFICATION NUI TNP535185		() MULTIS A BUILDING B. WING	PLE CONSTRUCTION 3 01 - SOUTHERN HILLS SURGE	(X3) DATE SURV COMPLETE 10/19/2	b
	ROVIDER OR SUPPLIER ERN HILLS SURGERY	CENTER, LP	360 WALL	RESS, CITY, S ACE ROAD E, TN 3721			
(X4) ID PREFIX TAG	CAJ ID SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) A 901 1200-8-1009 (1) Life Safety		FULL.	PREFIX TAG	PROVIDER'S PLAN OF CORREC (EACH CORRECTIVE ACTION SHO GROSS-REFERENCED TO THE APPI DEFICIENCY)	ULD BE C	(X5) COMPLE OATE
A 901	(1) Any ambula which complies with building and fire sal board adopts new clong as such compl with or without waiv considered to be in requirements of the This Statute is not Surveyor: 13846 Based on observati determined the facilife safety codes and The findings include On 10/19/06 at appinspection of the mestained ceiling tile. Inspection of OR2, the electrical panels equipment. NFPA 7 Inspection of the boascutcheon plate we inspection of the boascutcheon of the boascutcheon of the C.T. room reveal 110-12	atory surgical treatment the required applications at the required applications at the reduced applications at the reduced applications at the reduced applications at the reduced applications of specific provisions are reduced at the reduced application and inspection, it littly failed to comply with the electrical codes and the electrical codes are reximately 11:00 AM, and so locked room revisions are reduced at the reduced applications are reduced at the reduced at	was vith the s. revealed a reveal	A 901	see attack		

	1474	COLLAIRE III OLE	•	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION	L PREFIX I) TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	COMPLETE DATE
A 901	Continued From page 1	A 901		
	Inspection of the outside med-gas room revolution of the outside med-gas room revolution of cylinders of oxygen not secured. NFPA 57.13.4	ealed 55,		1
	Inspection of the main electrical room revea an electrical outlet cover was missing. NFPA 110-12	lled A 70,		F:
	Observation of the records revealed fire drill were not done quarterly. NFPA 101, 21.7.1.2			
	*			k.
				ii)
				ī

Division of Health Care Facilities

TAG A 901

- (1) <u>During inspection of men's locker room, observation revealed, there was stained ceiling tile</u> ------ Ceiling tile was change October 19th by Southern Hills Hospital Plant operations maintenance Mike Bruce. The facility safety officer will perform monthly inspections of facility to ensure proper upkeep.
- (2) During inspection of OR 2,3 and GI 2 room revealed the electrical panel blocked with equipment----- Blockages were removed October 19th and on October 30th Labels were placed below all panels and staff instructed in inservice not to place any objects in front of them.
- (3) During inspection of boiler room revealed the escutcheon plate was missing----plate replaced November 1st by Mike Bruce plant operation employee of Southern Hills Hospital. Safety officer will conduct monthly inspection of area.
- (4) During inspection of boiler room revealed two ceiling tiles missing---replaced October 19th by Mike Bruce maintenance. This area will be check
 on monthly safety rounds.

- (5) During inspection of Central sterile room and corridor revealed that a light was out----Light bulb replaced October 19th by Mike Bruce from Southern Hills Hospital Maintenance. Spoke with Excel the contracted service, which will do nightly inspection of all lights.
- (6) During inspection of recovery room revealed oxygen in the room with no precautionary sign posted--- Signs ordered October 30th from Houlden Enterprise LLC. Will arrive in 7-10days and will be posted on arrival.
- (7) During inspection of med gas room revealed oxygen cylinders not secured---- November 1st Chains were placed by Mike Bruce, Maintenance and Air Gas was notified.
- (8) During inspection of main electrical room revealed electrical cover was missing---- Replaced October 19th by Mike Bruce and will be part of monthly safety inspection.
- (9) During observation of records it was noted that a quarterly fire drill had been missed----- Safety Officer Ginger Ura was notified and made aware of standard for quartely drills.

If you have any questions regarding the PoCs mentioned above, feel free to contact me at (615) 332-3031 Sincerely,

Sandra Long Administrator

-andu story

		ii .	



AAAHC Survey Report 2007

Southern Hills Surgery Center, LP

Nashville, Tennessee

August 20-21, 2007

Roger Atkins, MD, Chairperson

Lyndell Brooks, FACMPE

IMPROVING HEALTH CARE QUALITY THROUGH ACCREDITATION

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101®. Both are registered trademarks of the National Fire Protection Association, Quincy, References are made throughout this Survey Report to the Life Safety Code® and to NFPA Massachusetts.

The pronouns used in the Survey Report were chosen for the ease of reading. They are not intended to exclude reference to either gender.

2007 AAAHC Survey Report

Org ID: 76349

Southern Hills Surgery Center, LP

Nashville, Tennessee

August 20, 2007 to August 21, 2007

Roger Atkins, MD, Chairperson Lyndell Brooks, FACMPE and the first and the control of the

Org. ID: 76349

Survey Overview

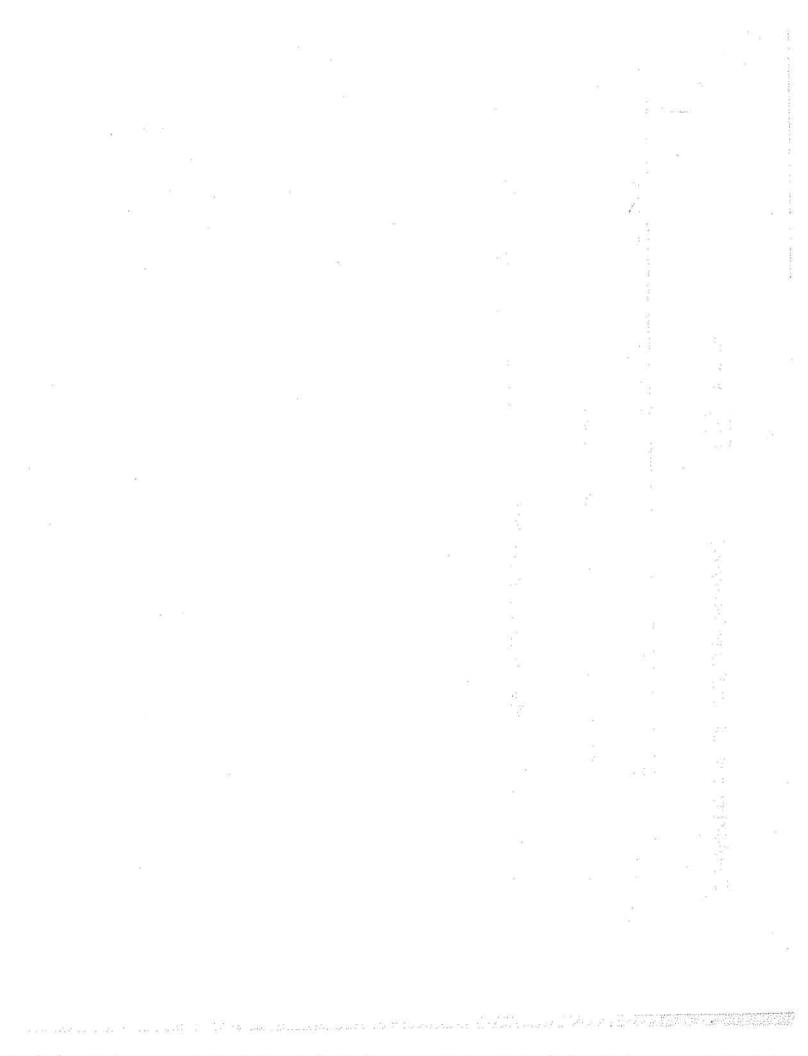
If yes, please list below the deficiencies noted at the time of the previous survey and current findings:

Related Standard **Identifier**

Supporting comment from previous survey

Current findings

Survey Overview - Page 1



Satellite Facilities

7634
ë
Org.

Does the organization has more than one facility? If the organization has more than one facility, list those that are to be included in the accreditation. The names and addresses of the satellite locations that were reviewed are listed below.	

Satellite Facilities - Page 1

Satellite Facilities

pharmaceutical services, pathology and medical laboratory services, diagnostic and therapeutic imaging, occupational health the quality of care rendered, clinical records, and facilities and environment. If applicable, also included is information on A brief description of the satellite locations reviewed during the survey are provided below which includes information on services, surgical services, and anesthesia services.

Chapter 1 - Rights of Patients

>								*Vi					
Supporting and Summary Comments	1*			5. 27			# A & # # # # # # # # # # # # # # # # #	18 18 18 18 18 18 18 18 18 18 18 18 18 1			See Standard 4.D-11.	100 100 100 100 100 100 100 100 100 100	
Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	PC	SC	SC
Com	Ch. 1	A	В	O	Q	III	ſΤ	표 -	F-2	F-3	F-4	F-5	F-6
Org. ID: 76349	An accreditable organization recognizes the basic human rights of patients. Such an organization has the following characteristics.	Patients are treated with respect, consideration, and dignity.	Patients are provided appropriate privacy.	Patient disclosures and records are treated confidentially, and, except when required by law, patients are given the opportunity to approve or refuse their release.	Patients are provided, to the degree known, complete information concerning their diagnosis, evaluation, treatment, and prognosis. When it is medically inadvisable to give such information to a patient, the information is provided to a person designated by the patient or to a legally authorized person.	Patients are given the opportunity to participate in decisions involving their health care, except when such participation is contraindicated for medical reasons.	Information is available to patients and staff concerning:	Patient rights, including those specified in A, B, C, D, and E above	Patient conduct and responsibilities	Services available at the organization	Provisions for after-hours and emergency care	Fees for services	Payment policies
Org. ID	Ch, 1	A	В	O	Д	Щ	ഥ	F-	F-2	F-3	F-4	F-5	F-6

Chapter 1 - Rights of Patients

Compliance Supporting and Summary Rating Comments	perimental research F-7 NA	federal law and F-8 SC	F-9 SC	orimary or specialty G SC There are multiple anesthesiologists on staff, so this standard will be adhered to and the right will be added to the center's list.	tence and capabilities H SC	ation regarding the I SC	pressing suggestions J SC
Org. ID: 76349	F-7 Patient's right to refuse to participate in experimental research	F-8 Advance directives, as required by state or federal law and regulations	F-9 Credentialing of health care professionals.	Patients are informed of their right to change primary or specialty physicians or dentists if other qualified physicians or dentists are available.	Marketing or advertising regarding the competence and capabilities of the organization is not misleading to patients.	Patients are provided with appropriate information regarding the absence of malpractice insurance coverage.	Patients are informed about procedures for expressing suggestions to the organization and policies regarding grievance procedures and

Consultative Comments

Chapter 2 - Governance I - General Requirements

	2.2			7
Org. ID: 76349	76349	Comp	Compliance Rating	Supporting and Summary Comments
Ch. 2	An accreditable organization has a governing body that sets policy and is responsible for the organization. Such an organization has the following characteristics.	Ch. 2	SC	
Sub I	Subchapter I - General Requirements: This subchapter describes general requirements for an organization and its governing body.	I qnS	SC	
∢	The organization is a legally constituted entity, or an organized subunit of a legally constituted entity, in the state(s) in which it is located and provides services. A legally constituted entity is constituted by at least one of the following:	∢	SC	The organization is a legally constituted entity, operated as a partnership between HCA and physician investors. HCA serves in the capacity of being the general partner, owning at least fifty-one percent of the entity. Currently, there are twelve physician partners owning about thirty
	65	\$1 52		percent of the partnership.
A-1	Charter	A-1	N A	
A-2	Articles of incorporation	A-2	NA	
A-3	Partnership agreement	A-3	SC	
A-4	Franchise agreement	A-4	NA	
A-5	Legislative or executive act	A-5	NA	
A-6	Or, is a sole proprietorship.	A-6	NA	
a B	The governing body addresses and is fully and legally responsible, either directly or by appropriate professional delegation, for the	Ф	SC	
24	responsibilities include, but are not limited to:			
		-		
B-1	Determining the mission, goals, and objectives of the organization	B-1	SC	The mission statement adequately defines the organization's goals and objectives.

Supporting and Summary Comments		The organization's infrastructure defines the relationships and responsibilities of the partnership, Governing Body, Medical Executive Committee, and the administration. One of the partners (anesthesiologist) serves as the Medical Director.				5)		The Governing Body and Medical Executive Committee meet at least quarterly. Minutes are maintained for all meetings.	The organization utilizes HCA's financial resources and systems.
Compliance Rating	SC	SC	SC	SC	SC	SC	SC Topic	SC	SC
Comp	B-2	B-3	B-4	B-5	B-5a	B-6	B-7	о ф	B-9
76349	Ensuring that facilities and personnel are adequate and appropriate to carry out the mission	Establishing an organizational structure and specifying functional relationships among the various components of the organization	Adopting bylaws or similar rules and regulations for the orderly development and management of the organization	Adopting policies and procedures necessary for the orderly conduct of the organization, including the organization's scope of clinical activities	The organization develops and maintains a policy defining the care of pediatric patients, if relevant. Specific components of peri-operative care are listed in Standard 10.V.	Assuring that the quality of care is evaluated and that identified problems are appropriately addressed	Reviewing all legal and ethical matters concerning the organization and its staff and, when necessary, responding appropriately	Maintaining effective communication throughout the organization, including ensuring a linkage between quality management and improvement activities and other management functions of the organization	9 Establishing a system of financial management and accountability appropriate to the organization 2007 Standards Chapter 2.1 - Page 2
Org. ID:	B-2	<u>г,</u>	B-4	B-5	B-5a	B-6	B-7	B-8	B-9

Supporting and Summary Comments		All major contracts are filed together in the contract book.		3T1		۵						N N N N N N N N N N N N N N N N N N N
Compliance Rating	SC	SC	SC	SC	SC	SC	NA	SC	SC	SC		SC
Comp	B-10	B-11	B-11a	B-11b	B-11c	B-11d	B-11e	B-11f	B-11g	B-11h		B-111
76349	Determining a policy on the rights of patients	Approving and ensuring compliance of all major contracts or arrangements affecting the medical and dental care provided under its auspices including, but not limited to, those concerning:	The employment or contracting of health care professionals	The provision of radiology services and pathology and medical laboratory services	The use of external laboratories	The provision of care by other health care organizations, such as hospitals	The provision of education to students and postgraduate trainees	The provision of after-hours patient information or telephone triage services, including review of protocols	The Centers for Medicare & Medicaid Services (CMS) requirements, if the organization participates in the Medicare/Medicaid program	The policies/procedures related to utilization, quality improvement, risk management, credentialing, patient rights, etc., of a managed care organization, if the	organization/provider has contracts with managed care organizations	The activities or services delegated to another entity,
Org, ID: 76349	B-10	B-11	B-11a	B-11b	B-11c	B-11d	B-11e	B-11f	B-11g	B-11h		B-11i

Compliance Supporting and Summary Rating Comments	PC The current annual business plan is very good but only looks at one year.	SC	SC Very little marketing is currently done.	SC	SC	SC	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	SC	Sc
Comp	B-12	B-13	B-14	B-15	B-16	B-17	B-18	B-19	B-20
76349	Formulating long-range plans in accordance with the mission, goals, and objectives of the organization	Operating the organization without violating federal or state antidiscrimination laws	Ensuring that all marketing and advertising concerning the organization do not imply that it provides care or services that it is not capable of providing	Developing a program of risk management appropriate to the organization	Determining a policy on continuing education for personnel and/or patient education for members/enrollees, if applicable	Developing policies that comply with all applicable occupational health and safety regulations for health care workers such as the Occupational Safety and Health Administration (OSHA) rules on Occupational Exposure to Bloodborne Pathogens (29 CFR Part 1910.1030)	Establishing a mechanism to fulfill all applicable obligations under local, state and federal laws and regulations such as those addressing disabilities, medical privacy, fraud and abuse, self-referral and the National Practitioner Data Bank	Operating the organization's facilities and environment in a safe manner	Adopting policies/procedures to resolve grievances and external
Org, ID; 76349	B-12	B-13	B-14	B-15	B-16	B-17	B-18	B-19	B-20

Supporting and Summary Comments							
Compliance Rating	SC	÷	SC		SC		SC
Comp	B-22b		B-22c		B-22d		Ö
17 X	A process for conducting a thorough analysis when an adverse incident occurs in order to identify the basic or	including the occurrence or possible occurrence of an adverse incident. The analysis identifies potential improvements in processes or systems that would tend to decrease the likelihood of such incidents in the future, or determines, after analysis, that no such improvement opportunities exist.	A process for reporting adverse incidents through established channels within the organization and, as appropriate, to external agencies in accordance with law and regulation.	24	An action plan that identifies the strategies that the organization intends to implement to reduce the risk of similar incidents occurring in the future. The plan should address responsibility for implementation, oversight, pilot	testing as appropriate, time lines, and strategies for measuring the effectiveness of the actions.	The governing body provides for full disclosure of ownership, and significant organizational, operational and financial changes.
Org, ID: 76349	B-22b	3	B-22c		B-22d		C The g
0							•

Chapter 2 - Governance I - General Requirements

se Supporting and Summary Comments) (A) (A) (A) (A) (A) (A) (A) (A) (A) (A	**	
Compliance Rating	C-1	C-2 NA	SC-3
Org. ID: 76349	The names and addresses of all owners or the controlling parties (whether individuals, partnerships, trusts, corporate bodies, or subdivisions of other bodies, such as public agencies or religious, fraternal, or other philanthropic organizations) are furnished to the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC).	For corporations, the names and addresses of all officers, directors and principal stockholders, either beneficial or of record, are available to the public upon request and are furnished to the AAAHC.	Accredited organizations must notify the AAAHC within 30 days of any significant organizational, operational or financial changes including, but not limited to mergers, change in majority interest, consolidation, name change, additional services or locations, death or incapacitation of a physician or dentist in solo physician or dental organizations, changes in state license or federal certification or qualifying status, significant change in managed care enrollment, significant changes in a managed care delivery system or staff membership, bankruptcy, or other significant change in the financial viability of the organization, or any government investigation, criminal indictment, guilty plea or verdict in a criminal proceeding (other than a traffic violation) involving directly or indirectly the organization or any of its officers, administrators, physicians/practitioners or staff. An organization's duty to provide this information continues during the entire accreditation process.
Org. I	Ç-	C-2	د

Chapter 2 - Governance I - General Requirements

Compliance Supporting and Summary	Rating Comments	S D SC	D-1 SC	D-1a SC	D-16 SC	D-1c SC	es D-1d SC	D-le SC	E SC	
	76349	The governing body meets at least annually and keeps such minutes or other records as may be necessary for the orderly conduct of the organization.	Items to be reviewed should include, but are not limited to:	Rights of patients	Delegated administrative responsibilities	Quality of care	The quality management and improvement program, policies and procedures, including the credentialing and privileging of health care professionals	Compliance to all other applicable standards.	If the governing body elects, appoints or employs officers and administrators to carry out its directives, the authority, responsibility, and functions of all such positions are defined.	Consultative Comments
	Org. ID: 76349	Д	D-1	D-1a	D-1b	D-1c	D-1d	D-1e	щ	

Suggest conducting some type of forum in order to formalize plans for a time period of more than one year.

Org. ID: 76349	76349	Compliance	Suppor
	a e	Kating	Comments
	Number of credential files reviewed during the survey:		9
	Description of how records were selected:		Randomly by specialty to include two allied health care providers
Sub II	Subchapter II - Credentialing and Privileging: This subchapter describes the requirements for credentialing and privileging of health care professionals to provide patient care in an accreditable organization.	Sub II SC	The organization has re-credentialed all providers. The person previously responsible did not maintain the credential files to the standard required. Consequently, rather than attempt to complete the files as required, it was deemed easier to re-credential the providers using the pertinent data already collected.
	Credentialing is a three-phase process of assessing and validating the qualifications of an individual to provide services. The objective of credentialing is to establish that the applicant has the	» •	795

specialized professional background that he or she claims and that the position requires. An accreditable organization: 1) establishes

minimum training, experience and other requirements (i.e.,

credentials) for physicians and other health care professionals; 2) establishes a process to review, assess and validate an individual's

certification, licensure and any other competence-enhancing

qualifications, including education, training, experience,

validation as outlined in the organization's description of the

requirements; and 3) carries out the review, assessment, and

activities, against the organization's established minimum

Org. ID: 76349	76349	Comp	Compliance Doffing	Supporting and Summary Comments
0		Mal	8111	
₩ .	The governing body establishes and is responsible for a credentialing and reappointment process, applying criteria in a uniform manner to appoint individuals to provide patient care for the organization. The governing body approves mechanisms for credentialing, reappointment, and the granting of privileges, and suspending or terminating clinical privileges, including provisions for appeal of such decisions.	4	SC	The Medical Executive Committee and the Governing Body both are involved in the credentialing and privileging process.
æ	The governing body, either directly or by delegation, makes (in a manner consistent with state law) initial appointment, reappointment and assignment or curtailment of clinical privileges based on professional peer evaluation. This process shall have the following characteristics:	ф	SC	*
B-1	The governing body has specific criteria for the initial appointment and reappointment of physicians and dentists.	B-1	SC	
B-2	Provisions are made for the expeditious processing of applications for clinical privileges.	B-2	SC	9.
B-3	On an application for initial credentialing and privileges, the applicant is required to provide sufficient evidence of training, experience, and current documented competence in performance of the procedures for which privileges are requested. At a minimum, the following credentialing and privileging information shall be provided for evaluation of the candidate:	B-3	SC	
B-3a	Education, training and experience. Relevant education and training are verified at the time of appointment and initial granting of clinical privileges. The applicant's experience is reviewed for continuity, relevance and documentation of any interruptions in that experience.	B-3a	SC	An AMA profile is provided for each person being credentialed. Source verification of education, training, and experience is obtained from the AMA. However, HCA is re-examining its policies as to source verification.

Chapter 2 - Governance II - Credentialing and Privileging

Supporting and Summary Comments	Peer evaluation is compiled and presented to the Governing Body during the credentialing process.				Information is obtained from the NPDB and is used in the credentialing process.	X1	€ ¥			
Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC
Comp	B-3b	B-3c	B-3d	B-3e	B-3f	B-3g	B-3g-i	B-3g-ii	B-3g-iii	B-3g-iv SC
· 6	Peer evaluation. Current competence is verified in writing by individuals personally familiar with the applicant's clinical, professional and ethical performance and when available, by data based on analysis of treatment outcomes.	Current state license. Current licensure is verified and documented at the time of appointment.	Drug Enforcement Administration (DEA) registration, if applicable	Proof of current medical liability coverage meeting governing body requirements, if any	Information obtained from the National Practitioner Data Bank	The organization shall require and review other pertinent information which includes, but need not be limited to:	Professional liability claims history	Information on licensure revocation, suspension, voluntary relinquishment, licensure probationary status, or other licensure conditions or limitations	Complaints or adverse action reports filed against the applicant with a local, state, or national professional society or licensure board	Refusal or cancellation of professional liability coverage
Org. ID: 76349	B-3b	B-3c	B-3d	B-3e	B-3f	B-3g	B-3g-i	B-3g-ii	B-3g-iii	B-3g-iv

Supporting and Summary Comments	5						kt)	
lance ing	SC	SC	SC	sc	SC	SC	SC	*
Compliance Rating	B-3g-v	B-3g-vi	B-3g-vii	B-3g-viii	B-3g-ix	B-3g.*	8.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4	3.7 3
49	Denial, suspension, limitation, termination or non-renewal of professional privileges at any clinic, hospital, health plan or other institution	DEA and state license action	Disclosure of any Medicare/Medicaid sanctions	Conviction of a criminal offense (other than minor traffic violations)	Current physical, mental health, or chemical dependency problems that would interfere with an applicant's ability to provide high-quality patient care and professional services	Signed statement releasing the organization from liability and attesting to the correctness and completeness of the submitted information.	Upon completion of the application, the credentials are verified according to procedures established in the bylaws, rules and regulations. The organization has established procedures to obtain information necessary for primary or secondary source verification of the application and is responsible for obtaining this information. An accreditable organization may use information provided by a Credentials Verification Organization	(CVO) after proper assessment of the capability and quality of the CVO. Accreditation or certification of the CVO by AAAHC or another nationally recognized accreditation organization is one way of demonstrating such capability and quality.
Org. ID: 76349	B-3g-v	B-3g-vì	B-3g-vii	B-3g-viii	B-3g-ix	В-3g-х	B-4	

Supporting and Summary Comments	a	The credentialing process requires re-appointment every two years.		The credential files are maintained for each professional, They are complete and, at this point, easy to read.
Compliance Rating		SS	SC	SC SC
0		B-5	B-6	B-7
76349	Primary or acceptable secondary source verification is required for licensure, education, training and experience, unless a CVO, or an organization performing primary source verification that is accredited or certified by a nationally recognized body is used. Where the organization utilizes a CVO or another organization to verify credentials, those entities must perform primary source verification unless such sources do not exist or are impossible to verify.	Applicants shall apply for reappointment at least every three years, unless state law provides otherwise. On an application for reappointment, the organization verifies current licensure, information obtained from the National Practitioner Data Bank, DEA registration, if applicable, and reviews status of any board certifications and other pertinent information which includes, but need not be limited to, items listed in Standard 2.II.B-3g and peer review activities as described in Subchapter I of Chapter 5.	The organization shall monitor and document current licensure, professional liability insurance if required, certifications, DEA and other registrations, where applicable, on an ongoing basis.	Credentials files are maintained for each health care professional to include the initial application, reapplication, verifications, privileges granted, and other pertinent information as required by the organization.
Org. ID: 76349	£1	B-5	B-6	B-7

Org. ID: 76349	76349	Com	Compliance Rating	Supporting and Summary Comments
B-8	In a solo physician practice, the physician's credentials file shall	B-8	NA	
	be reviewed by a peer at least every three years, unless state law			
	provides otherwise, to assure currency, accuracy and			04 1100
	completeness. The physician is required to complete an			ă
	application or reapplication, and the documentation identified in			
	standard 2.II.B-3 must be present in the credential file, including			
	a list of procedures that will be performed by the physician in			
	the organization and evidence of appropriate education, training			
	and experience to perform the privileges/procedures.			
	Applications are available for other physicians requesting			
	credentialing and privileges to perform procedures in the solo			
	physician's organization, including any anesthesia providers. In			
	a solo physician practice, the granting of privileges shall be			v

qualifications using appropriate criteria and approving, modifying or Privileging is a three-phase process. The objective of privileging is determines the clinical procedures and treatments that are offered to experience that are required to authorize an applicant to obtain each privilege; and 3) establishes a process for evaluating the applicant's care professional may perform. An accreditable organization: 1) to determine the specific procedures and treatments that a health denying any or all of the requested privileges in a non-arbitrary patients; 2) determines the qualifications related to training and

reviewed by a peer.

Org. ID: 76349	76349	Compliance Rating	liance ing	Supporting and Summary Comments	0
ت ت	Privileges to carry out specified procedures are granted by the organization to the health care professional to practice for a specified period of time. These privileges are granted based on an applicant's qualifications within the services provided by the organization. Privileges may be added pursuant to the organization's policies and procedures.	O	SC	All files reviewed had complete privileging information contained within them.	
Q	Mechanisms are in place for the organization to notify licensing and/or disciplinary bodies or other appropriate authorities when a health care professional's privileges are suspended or terminated, as required by state or federal law and regulations.	Ω	SC		
Ш	The organization has its own independent process of credentialing and privileging. The approval of credentials or the granting of privileges requires review and approval by the organization's governing body. Credentials may not be approved, nor privileges granted, solely on the basis that another organization, such as a hospital, approved credentials or granted privileges, without further review. Such status at another organization may be included in the governing body's consideration of the application.	m a	SC	The organization has its own independent process of credentialing and privileging professionals, including allied health care providers,	4
ᄕᅩ	The governing body provides a process (in a manner consistent with state law and based on evidence of education, training, experience, and current competence) for the initial appointment, reappointment,	ţ .	SC		

and assignment or curtailment of privileges and practice for allied

health care professionals.

Org. ID: 76349

Compliance Rating

Supporting and Summary

Comments

Consultative Comments

Consider adding tabs to distinguish the categories of information in the credential file to make it more user-friendly. Starting now with a new file will make it easier than waiting until it becomes a necessity.

				•	
Org. D:	76349	Comp	Compliance Rating	Supporting and Summary Comments	1
	Number of personnel files reviewed during the survey:			5	\Box
	Description of how records were selected:			Random from different job descriptions	\Box
Ch. 3	An accreditable organization is administered in a manner that assures the provision of high-quality health services and that fulfills the organization's mission, goals and objectives. Such an organization has the following characteristics.	Ch. 3	SC		Jr.
A	Administrative policies, procedures and controls are established and implemented to ensure the orderly and efficient management of the organization. Administrative responsibilities include, but are not limited to:	A	SC		
A-1	Enforcing policies delegated by the governing body	A-1	SC		
A-2	Employing qualified management personnel	A-2	SC	Đ	
A-3	Long-range and short-range planning for the needs of the organization, as determined by the governing body	A-3	PC	See Standard 2,1.B-12,	
A-4	Taking all reasonable steps to comply with applicable laws and regulations	A-4	SC		
A-5	Protecting the assets of the organization	A-5	SC	S St	
A-6	Implementing fiscal controls, including, but not limited to:	A-6	sc	Fiscal controls are implemented that meet HCA guidelines,	
A-6a	Authorization and record procedures that are adequate to provide accounting controls over assets, liabilities, revenues and expenses	A-6a	SC		
A-6b	Policies and procedures for controlling accounts receivable and accounts payable and for handling cash and credit arrangements	A-6b	SC		

Supporting and Summary Comments			The organization is small, and informal communication is constant. However, the staff meets at least quarterly, and minutes are maintained of the meetings.		R			ix	The organization has access to the HCA health information system. The necessary data is collected, analyzed, and reported upon to the entire ASC.		
liance ing	SC	SC	SC		SC	SC	SC	SC	SC	SC	SC
Compliance Rating	A-6c	A-6d	A-7	Ç.	A-8	A-9	A-10	A-11	A-12	A-12a	A-12a-i
76349	Rates and charges for services provided by the organization	Methods of collection of unpaid accounts that are reviewed before referral to a collection agency.	Using methods of communicating and reporting designed to ensure the orderly flow of information within the organization	在 世	Controlling the purchase, maintenance and distribution of the equipment, materials and facilities of the organization	Establishing lines of authority, accountability and supervision of personnel	Establishing controls relating to the custody of the official documents of the organization	Maintaining the confidentiality, security and physical safety of data on patients and staff	Maintaining a health information system that collects, integrates, analyzes and reports data as necessary to meet the needs of the organization	Characteristics of the system should include, but are not limited to:	Meeting performance improvement/indicators study needs
Org. ID: 76349	A-6c	P9-W	A-7		A-8	A-9	A-10	A-11	A-12	A-12a	A-12a-i

Compliance Supporting and Summary Rating Comments	Maintaining appropriate data on patient/enrollees, health A-12a-ii NA care professionals and services provided to patient members, if the organization is a managed care organization	Ensuring accurate, timely and complete data in a A-12a-iii SC consistent manner as appropriate for the organization	Maintaining collected data in a standardized format to A-12a-iv SC the extent feasible and appropriate.	Addressing the relationships with competing health care A-13 SC organizations so as to avoid antitrust and restraint of trade concerns	Dealing with inquiries from governmental agencies, attorneys, A-14 SC Having the HCA resources readily available is quite an advocate groups, reporters and the media	Documentation of adequate orientation and training to A-15 SC All employees are required to review the organization's familiarize all personnel with the organization's policies, procedures, and facilities.	Personnel policies are established and implemented to facilitate attainment of the mission, goals, and objectives of the organization. Personnel policies: Rocalitate B SC The personnel policies implemented by the organization follow the HCA corporate guidelines. Excellent personnel policies:	Define and delineate functional responsibilities and authority B-1 SC
76349		25		Addressing the relation organizations so as to a concerns	Dealing with inquiries from governm consumer advocate groups, reporters	Documentation of adequa familiarize all personnel v procedures, and facilities.	Personnel policies are estal attainment of the mission, g Personnel policies:	Define and delineate fu
Org. ID: 76349	A-12a-ii	A-12a-iii	A-12a-iv	A-13	A-14	A-15	В	B-1

Compliance Supporting and Summary Rating Comments	SC	SC	SC	SC	SC	SC	SC	SC The patient satisfaction questionnaire is very professional and is a metered form. The response rate is about 28%. The data obtained are reported monthly and summarized on a quarterly basis.	NA
Comp	B-2	Б-3	B-4	B-5	B-6	B-7	B-8	O	Д
. 76349	Require the employment of personnel with qualifications commensurate with job responsibilities and authority, including appropriate licensure or certification	Require periodic appraisal of each person's job performance, including current competence	Describe incentives and rewards, if any exist	Require periodic review of employee compensation	Specify privileges and responsibilities of employment, including compliance with an adverse incident reporting system, as described in Standard 2.I.B-22	Are made known to employees at the time of employment	Comply with federal and state laws and regulations regarding the protection of the health of employees and provide for appropriate occupational health services for those employees.	The organization periodically assesses patient satisfaction with services and facilities provided by the organization. The findings are reviewed by the governing body and when appropriate, corrective actions are taken.	When students and postgraduate trainees are present, their status is defined in the organization's personnel policies.
Org. ID: 76349	B-2	B-3	B-4	B-5	B-6	B-7	æ Æ	O	Q

Org. ID: 76349

Compliance Rating

Supporting and Summary Comments

Consultative Comments

The organization uses a checklist in the personnel file to audit the completeness of the file, but it is not always filled out. Consider completing this form in all the personnel files and making it a successful auditing tool.

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Supporting and Summary Comments			*					77		
Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC
Comp	Ch, 4	∢	В	ပ	О	D-1	D-2	D-3	D-4	D-5
Org. D: 76349	An accreditable organization provides high-quality health care services in accordance with the principles of professional practice and ethical conduct, and with concern for the costs of care and for improving the community's health status. Such an organization has the following characteristics.	All health care professionals have the necessary and appropriate training and skills to deliver the services provided by the organization.	Health care professionals practice their professions in an ethical and legal manner.	All personnel assisting in the provision of health care services are appropriately trained, qualified and supervised and are available in sufficient numbers for the care provided,	The provision of high-quality health care services is demonstrated by at least the following:	Education of, and effective communication with, those served concerning the diagnosis and treatment of their conditions, appropriate preventive measures and use of the health care system;	Accessible and available health services	Appropriate and timely diagnosis based on findings of the initial assessment (history and physical examination)	Treatment that is consistent with clinical impression or working diagnosis	Appropriate and timely consultation
Org. II	Ch. 4	K	æ	Ü	Д	D-1	D-2	D-3	D-4	D-5

Org. ID: 76349	76349	Comp	Compliance Rating	Supporting and Summary Comments
D-6	Absence of clinically unnecessary diagnostic or therapeutic procedures	D-6	SC	
D-7	Appropriate and timely referrals	D-7	SC	
D-8	Appropriate and timely follow-up of findings and tests	D-8	SC	
D-9	Patient cooperation	D-9	SC	*
D-10	Continuity of care	D-10	SC	
D-11	Provision for services when the organization's facilities are not open	D-11	PC	The only information available to patients when the facility is closed is a recorded message saying "if this is an emergency, please go to the nearest emergency room"
				14
D-12	Adequate and timely transfer of information when patients are transferred to other health care professionals;	D-12	SC	8
D-13	Patient satisfaction	D-13	SC	
D-14	An increased likelihood of desired health outcomes through participation in performance measurement and quality improvement activities	D-14	SC	
D-15	Health services provided are consistent with current professional knowledge	D-15	SC	
D-16	An adverse incident reporting system, as described in Standard 2.1.B-22	D-16	SC	
D-17	A mechanism to notify public health authorities of reportable conditions.	D-17	SC .	
団	The organization maintains appropriate, accurate and complete clinical record entries,	凹	SC	

Chapter 4 - Page 2

Ice Supporting and Summary Comments	There is a good contract regarding pathology specimens and blood tests. Blood tests are done by center nurses as necessary and promptly picked up by the courier for the pathology group.		The transfer contract is with the nearby HCA hospital.		Very complete forms are filled out and signed by the patient being transferred. There is no follow-up on the chart. Final disposition is documented in QI meeting minutes,	5)		<i>r</i>)			
Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC
Ŭ	ഥ	Ö	H	H-1	H-2	Ι	Ţ	1-2	I-3	1-4	I-5
D; 76349	The organization establishes procedures to obtain, identify, store and transport laboratory specimens.	When clinically indicated, patients are contacted as quickly as possible for follow-up regarding significant problems and/or abnormal laboratory or radiological findings that have been identified.	When the need arises, patients are transferred from the care of one health care professional to another.	Adequate specialty consultation services are available by prior arrangement.	Referral to a health care professional is clearly outlined to the patient and arranged with the accepting health care professional prior to transfer.	Concern for the costs of care is demonstrated by the following:	The relevance of health care services to the needs of the patients	The absence of duplicative diagnostic procedures	The appropriateness of treatment frequency	The use of the least expensive alternate resources when suitable	The use of ancillary services that are consistent with patients' needs.
Org. ID:	[I.	[©]	H	H-1	H-2	I	I-1	1-2	1.3	1-1 4-1	I.S

Org. ID: 76349	76349	Com	Compliance Rating	Supporting Com	Supporting and Summary Comments
→	When the need arises, reasonable attempts are made for health care professionals and other staff to communicate with patients in the language or manner primarily used by them.	lung	SC		
×	As appropriate, the organization participates in community health emergency or disaster preparedness.	×	SC		e a
	Consultative Comments			e.	
	Suggest leaving space on the transfer form for the surgeon (or whoever ordered the transfer) to document what the final outcome		(F) (S)	* \$\display	6 6 7

of the event might have been.

Chapter 5 - Quality Management I - Peer Review

Supporting and Summary Comments		9	Most of the physician review is done by the Medical Director. Five charts per physician are reviewed at each interval, and those are included in the evaluation of the practitioner for re-appointment.	
liance ing	SC	SC	SC D III III III III III III III III III	Sc
Compliance Rating	Ch. 5	Sub I	⋖	ф
Org. D: 76349	In striving to improve the quality of care and to promote more effective and efficient utilization of facilities and services, an accreditable organization maintains an active, integrated, organized, peer-based program of quality management and improvement that links peer review, quality improvement activities, and risk management in an organized, systematic way. Such an organization has the following characteristics.	Subchapter I - Peer Review: An accreditable organization maintains an active and organized process for peer review that is integrated into the quality management and improvement program and is evidenced by the following characteristics:	The health care professionals understand, support and participate in a peer review program through organized mechanisms and are responsible to the governing body. The peer review activities are evidenced in the quality improvement program.	At least two (2) physicians (or dentists in dental practices) are involved to provide peer-based review. (In solo physician or dental organizations, such as office-based surgical practices, independent practice associations and dental practices, an outside physician or dentist is involved to provide peer-based review.)
Org. II	Cb. 5	Sub I	₊ <	В

Chapter 5 - Quality Management I - Peer Review

Org. ID: 76349	76349	Comp	Compliance Rating	Supporting and Summary Comments
B-1	At least two (2) health care professionals, one of whom may be a physician or dentist, are involved to provide peer-based review within their scope of practice for professionals such as nurse practitioners, certified registered nurse anesthetists and physician assistants. Peer review as part of an employee's performance evaluation is acceptable.	В-1	SC	N. M.
B-2	Peer review is consistent with the organization's policies and procedures and evidenced in the quality improvement program	B-2	SC	
Б-3	The organization provides ongoing monitoring of important aspects of the care provided by physicians, dentists and other health care professionals. Monitoring important aspects of care by individual practitioners, as well as practitioners in the aggregate, is necessary for monitoring individual performance and establishing internal benchmarks.	B-3	SC	Monitoring of individual care is excellent in the organization; practitioners in the aggregate are monitored according to HCA guidelines.
Ü	Health care professionals participate in the development and application of the criteria used to evaluate the care they provide.	O	SC	
Q	Data related to established criteria are collected in an ongoing manner and are periodically evaluated to identify acceptable or unacceptable trends or occurrences that affect patient outcomes.	Д	SC 2	New criteria based upon specific diagnoses are being collected. Peer review will be more case-specific with more meaningful comparisons incorporated in the report.
тì	The results of peer review activities are reported to the governing body.	щ	SC	

Chapter 5 - Quality Management I - Peer Review

Org. ID: 76349	76349	Com	Compliance Rating	Supporting and Summary Comments
Ľ4	The results of peer review are used as part of the process for granting continuation of clinical privileges, as described in Subchapter II of Chapter 2.	(F4	SC	25
ט	To improve the professional competence and skill, as well as the quality of performance, of the health care professionals and other professional personnel it employs, the organization:	Ö	SC	
G-1	Provides convenient access to reliable, up-to-date information pertinent to the clinical, educational, administrative and research services provided by the organization	G-1	SC	9
G-2	Encourages health care professionals to participate in educational programs and activities, as demonstrated in the organization's policies or procedures. These educational programs may be internal or external, and are consistent with the organization's mission, goals, and objectives.	6-2	SC	
н	The organization provides a monitoring function to ensure the continued maintenance of licensure and/or certification of professional personnel who provide health care services at the organization.	н	S	The credentialing coordinator who handles three centers in the HCA-ASD sector of Nashville monitors all aspects of licensure and certification.

Consultative Comments

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Supporting and Summary Comments		The policies and procedures address the QI program and its scope.					Currently, problems are being addressed as they force their way into the attention of the staff (e.g., complaints about long waits, etc.).	
Compliance Rating	SC	SS	SC	SC	SC	SC	SC	SC
Comp	Sub II	∢	A-1	A-2	A-3	A-4	A-5	A-6
Org. ID: 76349	Subchapter II - Quality Improvement Program: An accreditable organization maintains an active, integrated, organized, peer-based quality improvement (QI) program as evidenced by the following characteristics:	The organization develops and implements a quality improvement program that is broad in scope to address clinical, administrative, and cost-of-care performance issues, as well as actual patient outcomes, i.e., results of care, including safety of patients. Characteristics of the program must include, but are not limited to:	A written description of the program that addresses the scope of the organization's health care delivery services and how the quality improvement plan for these services are assessed	Identification of the specific committee(s) or individuals responsible for the development, implementation and oversight of the program	Participation in the program by health care professionals, one or more of whom is a physician	Quality improvement goals and objectives	Development of processes to identify important problems or concerns that are appropriate to address for improving the quality of services provided by the organization	Identification of quality improvement activities such as studies, including methods for benchmarking performance, to support the goals of the program
Org. ID	Sub II	∢	A-1	A-2	A-3	A-4	A-5	A-6

Supporting and Summary Comments	n di	The program will be evaluated for effectiveness on at least a yearly basis.					A current study topic addresses overuse of the center's pathology function by an attending physician.		Clinical record review encompasses review of all variances.
Compliance Rating	SC	SC	SC		S	SC	Yes	Yes	Yes
Com	A-7	A-8	A-9		В	B-1	B-12	B-1b	B-1c
Org. ID: 76349	Defined linkages between quality improvement activities, peer review and the risk management program	Evaluation of the overall effectiveness of the program at least annually	Identification of processes to report findings from the quality improvement activities to the organization's governing body, and throughout the organization as appropriate.	98	The organization conducts specific quality improvement activities that support the goals of the QI program. Quality improvement activities must include, but are not limited to, the following characteristics:	The assessed purpose of the activity and the significance of the problem(s) or concern(s). Sources of identifiable problems may include, but are not limited to:	Unacceptable or unexpected outcomes of ongoing monitoring of care, such as complications, hospital transfers, malpractice cases, lack of follow-up on abnormal test results, radiology film retakes, medication errors, specific diagnoses, near misses, etc.	b The clinical performance and practice patterns of health care professionals	variances from expected performance identified through clinical record review of the quality of care, and completeness of entries and/or maintaining clinical record policies
Org. ID	A-7	A-8	A~9		Д	B-1	B-1a	B-1b	B-1c

Supporting and Summary Comments		26	Patient satisfaction surveys are fully assessed and tabulated on a monthly and quarterly basis.	ä	300		o e		See Standard B-1a.		8		See Standards 2.I.B-12 and 3.A-3.	
Compliance Rating	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	SC
Com	B-14	B-le	B-1f	B-1g	B-1h	B-1i	B-1;	B-1k	B-11	B-1m	B-In	B-10	B-1p	B-2
349.	Variances from expected results identified by quality control processes, diagnostic imaging, pathology, medical laboratory, and pharmaceutical services	Other professional, technical and ancillary services provided	Assessment of, and response to, patient satisfaction surveys	Direct observation of processes and/or practices	Staff concerns	Access to care and/or timeliness of services	Medical/legal issues	Wasteful practices	Overutilization and underutilization of services	Prevention, screening, evaluation, treatment or management of prevalent diseases, including chronic conditions, behavioral health, etc., provided by the organization	Testing new or enhanced processes or methods of care	Benchmarking against best practices, professional practice guidelines and performance measures, or established health care goals	Short or long-range planning goals.	Identification of performance measures, goals and objectives
Org. ID: 76349	B-1d	B-1e	B-1f	B-1g	B-1h	B-1i	B-Ij	B-1k	B-11	B-1m	B-1n	B-10	B-1p	B-2

Supporting and Summary Comments					So far, results of QI activities have been reported to the Medical Executive Committee and Governing Board members. The staff are few in number, and the dissemination of results is an easy task.	Benchmarking is always underway in HCA centers. Monthly reporting and tracking cover multiple best practices goals.		
Compliance Rating	SC	SC	SC .	SC	SC	SC	SC	SC
Com	B-3	B	B-5	B-6	B-7	O F	C-1	C-1a of care Chapter 5.11 - Page 4
Org. ID; 76349	Identification of data related to established criteria to evaluate and analyze the frequency, severity and source of suspected problems or concerns	Implementation of corrective actions such as interventions to resolve important problems or concerns that have been identified	Re-measurement of the problem to determine objectively whether the corrective actions have achieved and sustained demonstrable improvement	Identification, analysis and implementation of additional corrective actions, if the problem remains, to achieve and sustain demonstrable improvement	Communication of the findings of the quality improvement activities to the governing body and throughout the organization, as appropriate, and incorporation of such findings into the organization's educational activities "closing the QI loop"	The organization's quality improvement program must include participation in performance benchmarking activities that will allow for the comparison of key performance measures with other similar organizations or with recognized best practices of national or professional targets or goals.	The organization's benchmarking activities may include, but are not limited to:	The use of selected performance measures that are appropriate for improving the processes or outcomes of care relevant to the patients served Chapter 5
Org. ID	B-3	B-4	B-5	ф. В	B-7	D	<u>5</u>	C-1a

Supporting and Summary Comments						Anytime one of the HCA-ASD centers becomes an outlier on a given benchmarking standard, an analysis of the deficiency is done. If egregious, a root cause analysis is required.	
Compliance Rating	SC	SC	SC	SC	SC	SC	SC
Com	C-1b	C-1c	C-1d	C-1e	C-1f	C-2	C-3
3	Systematically collecting and analyzing data related to the selected performance measures	Ensuring the validity and reliability of data	Measuring changes in performance related to the performance measures	Demonstrating and sustaining performance improvement over time	Using benchmarks that are based on local, state, or national standards, i.e., performance measures.	Results of benchmarking activities must be incorporated into other quality improvement activities of the organization.	Results of benchmarking activities must be reported to the organization's governing body and throughout the organization, as appropriate.
76349	18					Re	Red org
Org. ID: 76349	C-1b	C-1c	C-1d	C-1e	C-1f	C-2	C-3

Consultative Comments

Consider that the best source of QI study topics is the surgical staff who know better than others what outcomes can be expected to show improvement.



Chapter 5 - Quality Improvement Studies IIa

Org. ID: 76349

Analysis of Quality Improvement Studies Reviewed

Quality Improvement Topic(s)

On a scale of 1-4:

1 = Unsatisfactory

2 = Needs Improvement

3 = Meets the Standard

4 = Exceeds Expectations

NA = Not Applicable

* = Study Ongoing

- The purpose and significance of the problems(s) or concern(s) that
 are appropriate for improving the process or outcomes of care have
 been identified.
- Performance measures, goals and objectives are identified.
- Data related to established criteria used to evaluate and analyze the frequency, severity and source of suspected problems or concerns are identified.
- L. Corrective actions, *i.e.*, interventions, to resolve important problems or concerns that have been identified have been implemented.
- Re-measurement of the problem to determine objectively whether the corrective actions have achieved and sustained demonstrable improvement
- Additional corrective actions were identified, analyzed and implemented, if the problem remained, to achieve and sustain demonstrate improvement.
- Findings of the quality improvement activities were communicated to the governing body and throughout the organization as appropriate, and the findings were incorporated into the organization's educational activities.

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\$ 3/00/5		3	C*	2			
Toleto Valle de La Colleto	4	4	3-	3	3	3	4
Tolefode Lego Hoses A	ti E	3	4	2	*	*	*
to out stroked	3	3	3	3	3	33	3
enteredo-era enteredo-era enteredo-era	3	3	က	3	3	m	3

Chapter 5 - Quality Improvément Studies IIa

Org. ID: 76349

what year the organization begin to conduct yearth

Previous Year

2006

Last Year

This Year

20

How many studies has the organization conducted?	How many benchmarking activities have been conducted?
How	How

How many studies were reviewed during the survey?

Supporting and Summary Comments for Study 1:

This study resolved the issue of conflicting pre-operative instructions; it was apparently successful, although re-study is planned to evaluate continued compliance.

Supporting and Summary Comments for Study 2:

The study changed the concept of having a specific operative time to one of being first, second, or third in line for a given surgeon's attention.

Supporting and Summary Comments for Study 3:

This was a good study addressing unnecessary laboratory testing that was being ordered by a medical staff member. The initial study has been reported to the Medical Executive Committee and is therefore completed, but follow-up is planned to see if changed behavior patterns continue.

Supporting and Summary Comments for Study 4:

This study represents a cost analysis of the disappointing venture into LAP banding, which had promised to be lucrative for the center.

"Thurse in 1973 - 1995" consension on "Title II" the collect this is the State in 1986 in the collect in 1995

Chapter 5 - Risk Management III

Supporting and Summary Comments			The individual handling credentialing for the three local HCA outpatient surgery units is also the designated risk manager.			3		Any litigation or potential litigation is analyzed and evaluated by HCI, the insurance arm of HCA
Compliance Rating	SC	S	SC	SC	SC	SC	SC	SC
Comp	Sub III	₹	Д	U	5	C-2	င်	C-4
Org. ID: 76349	Subchapter III - Risk Management: An accreditable organization develops and maintains a program of risk management, appropriate to the organization, designed to protect the life and welfare of an organization's patients and employees. Such an organization has the following characteristics:	The governing body of the organization is responsible for overseeing the program of risk management that includes the elements listed in Standard 5-III-C, and as appropriate to the organization, requirements described in Subchapter I of Chapter 2 and Chapter 3.	There is a person or committee responsible for the risk management program.	Elements of a risk management program address safety of patients and other important issues, which include:	Consistent application of the risk management program throughout the organization, including all departments and all service locations	Methods by which a patient may be dismissed from care or refused care	Reporting, reviewing and appropriate analysis of all incidents reported by employees, patients, health care professionals and others	Periodic review of all litigation involving the organization and its staff and health care professionals
Org. ID:	Sub III	⋖	B	Ö	C-1	C-2	£-2	C-4

Chapter 5 - Risk Management III

Supporting and Summary Comments				Long, detailed policies and procedures concerning incapacitated and impaired professionals are documented and are fully understood by the staff.						
Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC
Com	C-5	C-6	C-7	[∞]	. C-9	C-10	C-11	C-12	D	Щ
Org. ID: 76349	Review of all deaths, trauma, or other adverse incidents as defined in Standard 2-I-B-22, including reactions to drugs and materials	Review of patient complaints	Communications with the professional liability insurance carrier	Managing a situation in which a health care professional becomes incapacitated during, a medical or surgical procedure	Impaired health care professionals	Establishment and documentation of coverage after normal working hours	Methods for prevention of unauthorized prescribing	Processes to identify and/or designate the surgical site and involve the patient in those processes.	The risk management program conducts a periodic review of clinical records and clinical records policies.	Education in risk management activities is provided to all staff and affiliated persons.
Org. ID:	S.S.	C-6	C-7	Ç-8	C-9	C-10	C-11	C-12	Д	ជា

Consultative Comments

Supporting and Summary Comments	Both hospital transfers and 15 randomly selected records representing various practitioners			10			8	6.		
Compliance Rating		SC	SC	SC	SC	SC	SC	SC	SC	SC
Comp		Ch. 6	⋖	æ	B-1	B-2	B-3	B-4	B-5	ů U
Org. ID: 76349	Number of patient files reviewed during the survey: Description of how records were selected:	An accreditable organization maintains a clinical records and health information system from which information can be retrieved promptly. Clinical records are comprehensive, legible, documented accurately in a timely manner and readily accessible to health care professionals. Such an organization has the following characteristics.	The organization develops and maintains a system for the proper collection, processing, maintenance, storage, retrieval and distribution of patient records.	An individual clinical record is established for each person receiving care. Each record includes, but is not limited to:	Name	Identification number (if appropriate)	Date of birth	Gender	Responsible party, if applicable.	All clinical information relevant to a patient is readily available to authorized health care practitioners anytime the organization is open to patients.
Org. ID		Ch. 6	A	щ	B-1	B-2	B-3	B-4	B-5	υ »

Chapter 6 - Clinical Records and Health Information

Currenting and Cummery		Records are securely stored in locked floor-to-ceiling cabinets within a locked room.		÷						1456 	3.5			
1000	Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	
	Rating	Q	ш	E-1	E-2	E-3	E-4	式・大	Ľ	F-1	F-2	F-3	F-4	
	Org. ID: 76349	Except when otherwise required by law, any record that contains clinical, social, financial or other data on a patient is treated as strictly confidential and is protected from loss, tampering, alteration, destruction, and unauthorized or inadvertent disclosure.	There is a person designated in charge of clinical records whose responsibilities include, but are not limited to:	The confidentiality, security and physical safety of records	The timely retrieval of individual records upon request	The unique identification of each patient's record	The supervision of the collection, processing, maintenance, storage, retrieval and distribution of records	The maintenance of a predetermined, organized and secured record format.	Policies concerning clinical records address, but are not limited to:	Retention of active records	The retirement of inactive records	The timely entry of data in records	The release of information contained in records,	
	Org. II	Q	घ	山	E-2	E-3	E-4	可	Ħ	T	F-2	Ę.Ħ	F-4	

d Summary ents		a	ompass a single visit, and tivity planned.	e front of the chart and are		2 4		# 3 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4		5
Supporting and Summary Comments			Currently, almost all charts encompass a single visit, and there is no pain management activity planned.	Allergies are documented on the front of the chart and are uniform and complete.	a.			The second secon		
Compliance Rating	SC	SC	NA	SC	SC	SC	SC	SC	SC	
Com	Ö	Ħ	\vdash	وسا	×	K-1	K-2	K-3	K-4	
49	Except when otherwise required by law, the content and format of clinical records, including the sequence of information, are uniform. Records are organized in a consistent manner that facilitates continuity of care. Any abbreviations and dose designations must be standardized according to a list approved by the organization.	Reports, histories and physicals, progress notes, and other patient information (such as laboratory reports, x-ray readings, operative reports, and consultations) are reviewed and incorporated into the record in a timely manner.	If a patient's clinical record is complex and lengthy, a summary of past surgical procedures as well as past and current diagnoses or problems is documented in that patient's record to facilitate the ongoing provision of rational care.	The presence or absence of allergies and untoward reactions to drugs and materials is recorded in a prominent and uniform location in all patient records. This is verified at each patient encounter and updated whenever new allergies or sensitivities are identified.	Entries in a patient's record for each visit include, but are not limited to:	Date, department (if departmentalized), and physician or other health care professional's name and profession (for example, PT, MD, RN and so forth)	Chief complaint or purpose of visit	Clinical findings	Diagnosis or impression	
Org. ID: 76349	Exc clin Rec con	Rep info repo	If a pas pro ong	The dru	En 50:					

Org. ID: 76349	76349	Com	Compliance Rating	Supporting and Summary Comments
K-5	Studies ordered, such as laboratory or x-ray studies	K-5	sc	
K-6	Care rendered and therapies administered	K-6	SC	
K-7	Disposition, recommendations, and instructions given to the patient	K-7	SC	50
K-8	Authentication and verification of contents by health care professionals	K-8	SC	á
K-9	Missed and canceled appointments should have follow-up documentation.	K-9	SC	a I
H	Significant medical advice given to a patient by telephone is entered in the patient's record and appropriately signed or initialed, including medical advice provided by after-hours telephone patient information or triage telephone services.	i i	SC	
\mathbb{M}	Entries in patients' clinical records are legible to the clinical personnel in the organization.	×	SC	The charts are fully legible to the surveyor.
Z	Any notation in a patient's clinical record indicating diagnostic or therapeutic intervention as part of clinical research is clearly contrasted with entries regarding the provision of non-research related care.	Z	NA	
0	When necessary for ensuring continuity of care, summaries or records of a patient who was treated elsewhere (such as by another physician, hospital, ambulatory surgical service, nursing home or consultant) are obtained.	0 -	PC	See Standard 4.H-2.

Org. ID: 76349	76349	Com	Compliance Rating	Supporting and Summary Comments
<u>r</u>	When necessary for ensuring continuity of care, summaries of the patient's records are transferred to the health care professional to whom the patient was transferred and, if appropriate, to the organization where future care will be rendered.	<u>c.</u>	SC	
~	Discussions with the patient concerning the necessity, appropriateness and risks of proposed surgery, as well as discussions of treatment alternatives, are incorporated into the patient's medical record.	0	SC	

Consultative Comments

OPERA is a very worthwhile tool available only to HCA centers; it usually solves the problem of medication reconciliation. Suggest this be addressed.

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Supporting and Summary Comments			The doors to the garage are fire doors.	2	The facility has one crash/emergency cart and one malignant hyperthermia cart available.	52	· ·	The organization conducts four drills per year.	All physicians and RNs are required to be certified in ACLS techniques.	
Ś		W Y	The doors to the		The facility ha malignant hyp		ş	The organizat	All physicians and ACLS techniques.	
Compliance Rating	6	SC SC	SC	SC	SC	SC	SC	SC	SC	SC
Con		A-7	A-8	A-9	Ħ	O	Ω	ш	ſĽ,	Ö "
Org. ID: 76349		Have emergency lighting, as appropriate to the facility, to provide adequate evacuation of patients and staff, in case of an emergency	Have stairwells protected by fire doors	Are operated in a safe and secure manner.	The organization has the necessary personnel, equipment, and procedures to handle medical and other emergencies that may arise in connection with services sought or provided.	The organization provides documented periodic instruction of all personnel in the proper use of safety, emergency, and fire-extinguishing equipment.	The organization has a comprehensive emergency plan to address internal and external emergencies, including a provision for the safe evacuation of individuals during an internal emergency, especially individuals who have difficulty walking.	The organization requires at least four drills a year of the internal emergency plan. One of these must be a documented cardiopulmonary resuscitation technique drill, as appropriate to the organization.	Personnel trained in cardiopulmonary resuscitation and the use of cardiac emergency equipment are present in the facility during hours of operation.	Smoking is prohibited in such areas as operating rooms, anesthetizing locations, rooms where oxygen and other volatile gases are administered or stored, and other hazardous areas. Smoking is permitted only in designated areas.
Org. ID		A-7	A-8	A-9	щ	Ö	Q	ក្រ	ľπ÷	Ð

ce Supporting and Summary Comments	a a				Several private rooms are available for patient use that assure patient privacy, should the need exist.	í.	The facility is very clean, has good patient flow, and is well equipped to meet the needs of the business.	20		Hazardous materials are collected and stored in an area near the exit door, making for easy access by the vendor charged with disposing of the materials.
Compliance Rating	SC	SC	SC SC	SC	SC	I SC	I SC	SC	SC	SC
-]	H	Ι	. وسو	×	J	M	Z	0	Ь	O ₁
Org. ID: 76349	Hazards that might lead to slipping, falling, electrical shock, burns, poisoning, or other trauma are eliminated.	Reception areas, toilets, and telephones are provided in accordance with patient and visitor volume.	When appropriate, adequately marked patient and visitor parking are provided.	Provisions are made to reasonably accommodate disabled individuals.	All examination rooms, dressing rooms, and reception areas are constructed and maintained in a manner that assures patient privacy during interviews, examinations, treatment and consultation.	Adequate lighting and ventilation are provided in all areas,	Facilities are clean and properly maintained.	Food snack services and refreshments provided to patients meet their clinical needs and are prepared, stored, served, and disposed of in compliance with local health department requirements.	Procedures should be available to minimize the sources and transmission of infections, including adequate surveillance techniques.	A system exists for the proper identification, management, handling, transport, treatment, and disposal of hazardous materials and wastes, whether solid, liquid, or gas.
Org. ID:	Н	ı	~ ~	×	ы	M	Z	0	م	0

Org. ID: 76349	76349	Com	Compliance Rating	Supporting and Summary Comments	
-	The evertem includes but is not limited to infectious.	6	SC		
,	radioactive, chemical, and physical hazards.	·			
0-2	The system provides for the protection of patients, staff, and the environment.	0-2	SC		>
X	The space allocated for a particular function or service is adequate for the activities performed therein, including space allocated for	ĸ	SC	The facility is spacious.	
)1	pathology and medical laboratory services, radiology services, pharmaceutical services, examination and treatment rooms, offices, operating rooms, recovery areas, storage rooms, reception areas, clinical records, and other special function areas.			25	
	9			2	
S	Appropriate emergency equipment and supplies are maintained and readily accessible to all areas of each patient care service site.	ω	SC		
	đi			721 731 74	
H	Equipment is properly maintained and periodically tested.	⊢	SC SC	Contracts exist with Southern Hills Medical Center and other external vendors to service and maintain the equipment.	iter and
Ω	Alternate power, adequate for the protection of the life and safety of	D	SC	The facility uses a diesel generator to provide alternate power. Logs are maintained to reflect the servicing and	ternate ing and
	patients and recovery areas for surgical services, treatment areas, and where emergency services are provided.			maintenance of the unit.)

Consultative Comments

Chapter 9a - Anesthesia Services Information

£	Is this service provided by the organization? Yes Y/N
ir ši	Org. 112. 10343 If the organization provides any anesthesia services, select "X" to indicate levels provided.
\times	Local or topical anesthesia The application of local anesthetic agents, in appropriate doses adjusted for weight.
×	Minimum sedation (anxiolysis) A drug-induced state during which patients respond normally to verbal commands. Although cognitive function and coordination may be impaired, ventilatory and cardiovascular functions are unaffected. Inhaled nitrous oxide in low concentrations that would not reasonably be expected to result in loss of the patient's life-preserving protective reflexes would be considered minimal sedation.
\bowtie	Moderate sedation/analgesia (conscious sedation) A drug-induced depression of consciousness during which patients respond purposefully to verbal commands, either alone or accompanied by light tactile stimulation. No interventions are required to maintain a patent airway, and spontaneous ventilation is adequate. Cardiovascular function is usually maintained.
\times	Regional anesthesia The application of anesthetic medication around the nerve or nerves in a major region of the body, which supply the area which is targeted for the abolition of painful neural impulses. No interventions are required to maintain a patent airway, and spontaneous ventilations is adequate. Cardiovascular function is usually maintained.
\times	Deep sedation/analgesia A drug-induced depression of consciousness during which patients cannot be easily aroused but respond purposefully following repeated or painful stimulation. The ability to independently maintain ventilatory function may be impaired. Patients may require assistance in maintaining a patent airway, and spontaneous ventilation may be inadequate. Cardiovascular function is usually maintained.
$[\times]$	General anesthesia A drug-induced loss of consciousness during which patients are not arousal, even by painful stimulation. The ability to independently maintain ventilatory function is often impaired. Patients often require assistance in maintaining a patent airway, and positive pressure ventilation may be required because of depressed spontaneous ventilation or drug-induced depression of neuromuscular function. Cardiovascular function may be impaired.
×	Select "X" for all health care providers privileged to provide anesthesia: Anesthesiologist Surgeon
	CRNA Others (specify) Registered Nurse Anesthesia assistant

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Org. ID	Org. ID: 76349	Complian Rating	Compliance Rating	Supporting and Summary Comments
Ch. 9	Anesthesia services in an accreditable organization are provided in a safe and sanitary environment by qualified	Ch. 9 SC	SC	
	health care professionals who have been granted privileges to			
	provide those services by the governing body. Such an			· ·
	organization has the following characteristics.		15	

sections	Sections A-FI below with be applied at organizations involved in the administration of seatition and unestnesta, including those where only tocal or topical anesthesia, or only minimal sedation is administered.	on of Seaul	on ana	inesinesia, incluaing inose where only local of topical
∢ ,	Anesthesia services provided in the facilities owned or operated by the organization are limited to those techniques that are approved by the governing body upon the recommendation of qualified professional personnel. Anesthesia services are performed only by health care professionals who have been credentialed and granted clinical privileges by the organization in accordance with Standards 2–II.	∢	SC	
д	Adequate supervision of anesthesia services provided by the organization is the responsibility of one or more qualified physicians or dentists who are approved and have privileges granted by the governing body.	М	SC	The Medical Director/anesthesiologist is a member of well-established, very active, and fully credentialed group of anesthesiologists, most of whom serve in the center occasionally. He is very involved with the cente
): 2	G	and his guidance is excellent.
Ö	Policies and procedures are developed for anesthesia services, which include, but are not limited to:	O	SC	
<u></u>	Education, training and supervision of personnel	Ç-1	SC	
C-2	Responsibilities of non-physician anesthetists	C-2	SC	
2007	2007 Standards Chapter 9 - Page 1	- Page 1		± :

Supporting and Summary Comments	e.		A good separate anesthesia consent form is used.		The facility was completely renovated in 2005, and all equipment, etc. is new.		
Compliance Rating	SC	SC	SC	SS	SC	SC	SC
Com	C-3	Q	四	ſτ	رة ن ن	6-1	G-2
Org. ID: 76349	Responsibilities of supervising physicians and dentists.	A physician, dentist, or a qualified individual supervised by a physician or dentist, approved by the governing body, has examined the patient immediately prior to the anesthetic to evaluate the risks of anesthesia relative to the procedure to be performed and has developed and documented a plan of anesthesia.	The informed consent of the patient or, if applicable, of the patient representative, is obtained before the procedure is performed. One consent form may be used to satisfy the requirements of this standard and standard 10.Q.	Anesthesia is administered by anesthesiologists, other qualified physicians, dentists, certified registered nurse anesthetists, other qualified individuals supervised by a physician or dentist and credentialed by the governing body pursuant to Chapter 2.II, or supervised trainces in an approved educational program.	The facility must be established, constructed, equipped and operated in accordance with applicable local, state and federal laws and regulations. At a minimum, all settings where sedation or anesthesia is administered should have the following equipment for resuscitation purposes:	Reliable and adequate source of oxygen delivery	A device such as a self inflating hand resuscitator bag capable of administering at least 90% oxygen
Org. II	C-3	Ω	щ	# %	Ö	G-1	G-2

Org. ID: 76349	: 76349	Com	Compliance Rating	Supporting and Summary Comments
G-3	Appropriate emergency drugs, supplies and equipment	G-3	SC	
G-4	Appropriate monitoring equipment for the intended anesthesia care	G-4	SC	
G-5	Reliable suction source and appropriate equipment to assure a clear airway,	G-5	SC	
H	Clinical records include entries related to anesthesia administration.	н	SC	

Standards I-V below will be applied at organizations that administer moderate sedation/analgesia, deep sedation/analgesia, regional anesthesia, or general anesthesia.

_	A patient's oxygenation, ventilation, and circulation must be	П	S	SC	
	continually evaluated and documented. Intra-operative physiologic				
	monitoring must include continuous use of a pulse oximeter, blood				
	pressure determination at frequent intervals and EKG monitoring		57		
	for patients with significant cardiovascular disease during				
	moderate sedation and for all patients during deep				
	sedation/analgesia or general anesthesia. Monitoring for the				
	presence of exhaled CO2 is recommended during the				
	administration of deep sedation.				
J	The organization maintains a written policy with regard to	'n	Ø	SC	
	assessment and management of acute pain.				
K	The patient is observed and monitored in a post-anesthesia care	М	σ	sc	
	unit or an area which provides equivalent care by methods				
	appropriate to the patient's medical condition and sedation or		**		
	anesthesia.				

Supporting and Summary Comments						
Compliance Rating	SC P	SC	SC	SC	SS	н
Con	7	L-2	Z	Z	0	
Org. ID: 76349	L-1 A physician or dentist is present until the medical discharge of the patient following clinical recovery from surgery and anesthesia.	Defore medical discharge from the facility, each patient must be evaluated by a physician, dentist, or a delegated qualified individual supervised by a physician or dentist, approved by the governing body to assess recovery. If medical discharge criteria have previously been set by the treating physician or dentist, and approved by the governing body, a delegated qualified individual may determine if the patient meets such discharge criteria, and if so, may discharge when those criteria are met.	M Personnel qualified in advanced resuscitative techniques (ACLS or when pediatric patients are served, PALS) are present until the patient has been physically discharged.	N Patients who have received moderate sedation/analgesia, deep sedation/analgesia, regional anesthesia, or general anesthesia are discharged in the company of a responsible adult.	A safe environment for providing anesthesia services is assured through the provision of adequate space, equipment, supplies, medications, and appropriately trained personnel. All equipment should be maintained, tested and inspected according to the	manufacturer's specifications with a log maintained of legular

preventive maintenance.

Org, ID	Org, ID: 76349	Com	Compliance Rating	Supporting and Summary Comments
£4	Alternate power adequate for the type of surgery/service being performed is available in operative and recovery areas.	d	SC	
⊘	Written protocols and emergency equipment and drugs for the treatment of malignant hyperthermia are maintained and immediately available, if the organization administers agents known to trigger malignant hyperthermia.	0′	SC	Thirty-six vials of Dantrolene are stocked.
×	Malignant hyperthermia drills are performed at least yearly if the organization administers agents known to trigger malignant hyperthermia.	ø	SC	Drills are performed regularly. So far, the organization has not had a drill re-constituting Dantrolene.
8	The organization has a written protocol in place for the safe and timely transfer of patients to a prespecified alternate care facility when extended or emergency services are needed to protect the health or well-being of the patient. Standard 10.M addresses medical emergencies that arise in connection with surgical procedures.	W	SC	
Ţ	Where anesthesia services are provided to infants and children, the required equipment, medication and resuscitative capabilities appropriate to pediatric patients are on site.	H	SS	m ji
b	No patient shall receive moderate or deep sedation or general anesthesia unless a physician, dentist, or other qualified individual supervised by a physician or dentist, in addition to the one performing the surgery, is present to monitor the patient. The	D es	SC SC	
40	operating physician or dentist may be the supervising physician or dentist. During moderate sedation, the additional individual may assist with minor, interruptible tasks.	55 ⁽²⁾		

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Org. ID: 76349	. 76349	Comj Ra	Compliance Rating	Supporting and Summary Comments
>	Organizations that provide sedative, hypnotic or analgesic drugs that do not have an antagonist medication (for example, propofol) will identify who in the organization is privileged to administer these drugs.	>	SC	
Standards	Standards W-X below will be applied to organizations that administer deep sedation or general anesthesia.	n or gene	ral anesthesia.	s.
A	The organization will have a written protocol that explains how the organization will respond in the event that a deeper-than-intended level of sedation occurs.	W	SC	
×	In addition to the items noted in the previous anesthesia section, Standard I, administration of general anesthesia requires:	×	SC	
×-1	End-tidal CO ₂ monitoring	X-1	SC	i i
X-2	A means of measuring body temperature must be readily available.	X-2	SC	5 5
	Consultative Comments		12.	

	Supporting and Summary Comments	\$3	Colonoscopy	As of 2007, the center is doing about 250 cases per month, 70% of which are GI.	
Yes Y/N	Compliance Rating	Yes	<u>ŏ</u>]	Ch. 10 SC As	
Is this service provided by the organization?	Org. ID: 76349	Was a surgical procedure observed during the survey?	Name of procedure:	Ch. 10 Surgical services in an accreditable organization are performed in a safe and sanitary environment by qualified professionals who have been granted privileges to perform those procedures by the governing body. The provisions in this chapter are applied to organizations that provide any invasive procedures, such as pain management, endoscopy procedures, cardiac catheterization, lithotripsy and in vitro fertilization, as well as surgery. Such an organization has the following characteristics.	s

Note: Some standards may not apply to organizations that only perform minor, superficial procedures without anesthesia or under local or topical anesthesia.

A SC The range of procedures performed in the center is limited at present, with a preponderance of endoscopy, but the center is prepared to offer a full scope of surgical cases as new physicians are added.	B SC	C SC
Surgical procedures performed in the facilities owned and operated by the organization are limited to those procedures that are approved by the governing body upon the recommendation of qualified medical personnel.	Adequate supervision of surgery conducted by the organization is a responsibility of the governing body. It is recommended that supervision be provided by an anesthesiologist, another physician or dentist.	Surgical procedures are performed only by health care professionals who:
∢	æ	Ü

	Is this service provided by the organization?	Z/X		240.
Org. ID: 76349	. 76349	Col	Compliance Rating	Supporting and Summary Comments
C-1	Are licensed to perform such procedures within the state in which the organization is located	- 5	SC	¥)
C-2	Have been granted privileges to perform those procedures by the governing body of the organization, in accordance with Standard 2.II.	C-2	SC	
Ω	Surgical procedures to be performed in a solo office-based surgical practice are reviewed periodically as part of the peer review portion of the organization's quality improvement program.	Д	NA A	
. 1	e.		i.	
щ	An appropriate and current history, including a list of current medications, and dosages if known, physical examination, and pertinent pre-operative diagnostic studies are incorporated into the patient's medical record prior to surgery.	ш	PC	Medications are usually documented, but dosages are inconsistently documented.
ΙΉ	The necessity or appropriateness of the proposed surgery, as well as any available alternative treatment techniques have been discussed with the patient prior to scheduling for surgery.	[Ti	SC	
_O	Registered nurse(s) and other personnel assisting in the provision of surgical services are appropriately trained and supervised, and are available in sufficient numbers for the surgical and emergency	o ,	SC SC	
	care provided.		L2	

	Supporting and Summary Comments		The Medical Director is present in the center until all patients have been physically discharged.			
N/X	Compliance Rating	SC	SC	SC	Ö.	S
Yes Y	ŭ	Ħ	-	5	¥	ů.
Is this service provided by the organization?	Org. ID: 76349	Each operating room is designed and equipped so that the types of surgery conducted can be performed in a manner that protects the lives and ensures the physical safety of all persons in the area. At least one operating room is available for surgery. Only nonflammable agents are present in an operating room, and the room is constructed and equipped in compliance with applicable state and local fire codes.	Personnel qualified in advanced resuscitative techniques (ACLS or when pediatric patients are served, PALS) are present until all patients operated on that day have been physically discharged. At least one physician or dentist is present or available by telephone any time that patients are present.	With the exception of those tissues exempted by the governing body after medical review, tissues removed during surgery are examined by the pathologist, whose signed report of the examination is made a part of the patient's record.	The findings and techniques of an operation are accurately and completely documented immediately after the procedure by the health care professional who performed the operation. This description is immediately available for patient care and becomes a part of the patient's record.	A safe environment for treating surgical patients, including adequate safeguards to protect the patient from cross-infection, is assured through the provision of adequate space, equipment and personnel.

	Supporting and Summary Comments			·	There are plenty of hand-cleaning stations throughout the facility. HCA has a campaign against the spread of MRSA, and posters are placed everywhere.		100 Miles 100 Mi		*		
	Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC
Yes Y/N	Com	1	L-2	L-3	1.4	L-5	9-T	L-7	F-8	L-9	\mathbb{W}
Is this service provided by the organization?	Org. ID: 76349	Provisions have been made for the isolation or immediate transfer of patients with a communicable disease.	All persons entering operating rooms are properly attired.	Acceptable aseptic techniques are used by all persons in the surgical area.	Only authorized persons are allowed in the surgical or treatment area, including laser rooms, and such persons must decontaminate hands either by using a hygienic hand scrub or by washing with a disinfectant soap prior to and after direct contact with each patient.	Suitable equipment for rapid and routine sterilization is available to ensure that operating room materials are sterile.	Sterilized materials are packaged and labeled in a consistent manner to maintain sterility and identify sterility dates.	Environmental controls are implemented to ensure a safe and sanitary environment.	Suitable equipment is provided for the regular cleaning of all interior surfaces.	Operating rooms are appropriately cleaned before each operation.	When hospitalization is indicated to evaluate, stabilize and transfer when emergencies or unplanned outcomes occur, the organization shall have one of the following:
	Org.	3	L-2	13	4-1	L-5	F-6	L-7	L-8	6-7	Ξ

Chapter 10 - Page 4

2007 Standards

š.	Supporting and Summary Comments	St						3 3 3 4 4	
	Compliance Rating	SC	SC	Ą	SC	SC	SC	SC	SS
Yes Y/N	Con	M-1	M-2	M-3	Z	0	e,	Ø	ex
Is this service provided by the organization?	Org. ID: 76349	Written transfer agreement for transferring patients to a nearby hospital, or	Permits elective surgery only by physicians and dentists who have admitting and similar surgical privileges at a nearby hospital, or	A detailed procedural plan for handling medical emergencies, and this plan shall be submitted to AAAHC for review during the survey process.	As necessary and appropriate for the type of surgery performed at the organization, procedures have been developed for obtaining blood and blood products on a timely basis.	Alternate power adequate for the type of surgery performed is available in operative and recovery areas.	Periodic calibration and/or preventive maintenance of equipment is provided.	The informed consent of the patient, or if applicable, of the patient's representative, is obtained before the procedure is performed.	The organization utilizes a process to identify and/or designate the surgical procedure to be performed and the surgical site, and involves the patient in that process. The person performing the procedure marks the site. For dental procedures, the operative tooth may be marked on a radiograph or a dental diagram.
	Org.	M-1	M-2	M-3	z	0	Ы	0	~

	Is this service provided by the organization?	Yes Y/N		
Org, ID: 76349	76349	Com	Compliance Rating	Supporting and Summary Comments
ω	Immediately prior to beginning a procedure, the operating team verifies the patient's identification, intended procedure, correct surgical site and that all equipment routinely necessary for performing the scheduled procedure, along with any implantable devices to be used, are immediately available in the operating room. The operating surgeon is personally responsible for ensuring that all aspects of this verification have been satisfactorily completed immediately prior to beginning the procedure.	ω ₂	SC	The time-out procedure as observed was appropriate and complete.
⊣	A procedure has been established for the observation and care of the patient during the pre-operative preparation and post-operative recovery periods. Upon completion of a patient's procedure and	⊱	SC	
8	until medical discharge, the staff performs repeated, frequent assessments of the patient's blood pressure or hemodynamic status, oxygen saturation, level of consciousness, pain relief and condition of the procedure site as appropriate.	ą.		
n	Protocols have been established for instructing patients in self-care	Þ	SC	

after surgery, including written instructions to be given to patients who receive moderate sedation/analgesia, deep sedation/analgesia,

regional anesthesia or general anesthesia.

Is this service provided by the organization?

Yes

Org. ID: 76349	: 76349	Comp	Compliance Rating	Supporting and Summary Comments
Standard	Standard V will be applied to organizations that provide surgical, diagnostic and/or therapeutic services to children.	r therape	ttic services to	children.
>	A safe environment for treating pediatric surgical patients is assured through the provision of adequate space, equipment, supplies, medications and personnel.	>	SC	
Standards	Standards W, X and Y will be applied to organizations that utilize laser technology.			
A	Policies and procedures should be established and implemented for laser technology which include, but are not limited to:	A	NA The	There are no lasers in the ASC
W-1	Laser safety programs	W-1	NA	
W-2	Education and training of laser personnel, including a requirement for all personnel working with lasers to be adequately trained in the safety and use of each type of laser utilized in patient care.	W-2	NA	
×	The organization ensures that its facility provides a safe environment for utilizing laser technology, including:	×	A	
X-1	Granting privileges for each specific laser	X-1	NA	

X-3

X-2

Ensuring that only authorized persons are allowed in treatment

X-2

X-3

Utilization of door and window coverings, where appropriate

32.7	Supporting and Summary Comments						Yi M MD			
	Compliance Rating	NA	A'A	NA	NA	NA A	NA	NA	N A	NA
X/N	Com	X-X	X-5	X-6	X-7	×-8	X-8a	X-8b	X-8c	P8-X
Is this service provided by the organization?	Org. ID: 76349	Prominently displayed warning signs being present only during laser procedures at the entrance to laser treatment areas	Utilization of laser protective eyewear by personnel in treatment areas	When appropriate, utilization of smoke evacuators and utilization of appropriate devices to control tissue debris, high filtration masks and/or wall suction with filters to minimize laser plume inhalation	Utilization of appropriate disinfectant or sterilization of laser components that have direct patient contact	Ensuring appropriate laser fire protection, including:	The immediate availability of electrical-rated fire extinguishers for equipment fires	The maintenance of a wet environment around the operative field and the immediate availability of an open container of saline or water where ignition of flammable materials is possible	The use of "laser safe" equipment and/or techniques, especially for procedures in and around the airway	The utilization of non-combustible materials, supplies, and solutions as appropriate
	Org. I	X 4	X-5	X-6	X-7	X-8	X-8a	X-8b	X-8c	X-8d

	Is this service provided by the organization?	Yes Y/N		
Org. ID	Org. ID: 76349	Com	Compliance Rating	Supporting and Summary Comments
X-8e	That drape material is not positioned in front of the laser beam. Drapes should be checked prior to use of laser to ensure that material has not shifted during the procedure.	X-8e	NA	
6-X	Documenting that laser maintenance logs are current and visually inspecting and testing the laser before each use.	6-X	NA	
Y	The organization ensures patient safety, including:	X	NA	
Y-1	Assurance that procedures are done in accordance with manufacturer guidelines and are consistent with the current version of the ANSI American National Standard for Safe Use of Lasers in Health Care Facilities	Y-1	A'A	e.
Y-2	Protection of the patient's eyes, skin, hair and other exposed areas	Y-2	NA	
Y-3	When available, the use of non-reflective surgical instruments and supplies	Y-3	NA	
Y-4	Appropriate patient education regarding laser procedure risks and potential complications,	Y-4	NA	
	Consultative Comments			
	Desmita the morphism of militials landing me marrolent in the			

Despite the problem of multiple languages prevalent in the community served, Suggest the use of OPERA be considered if only to be sure that the center is compliant in medication reconciliation.

Is this service provided by the organization?

Yes Y/N

Compliance

Rating

Supporting and Summary Comments

Org. ID: 76349

The hand-washing in-service exercise is innovative and excellent. Suggest personnel be reminded that their accrediting agency (AAAHC) standards require hand-washing before and after direct contact with each patient.

Chapter 10 - Page 10

Chapter 15 - Pharmaceutical Services

Chapter 15 - Pharmaceutical Services

	Supporting and Summary Comments	The consulting pharmacist checks for expiration dates on a monthly basis, as do the nursing staff personnel.		The organization contracts with a licensed pharmacist to provide pharmaceutical services on a monthly basis or as needed.			
X/N	Compliance Rating	SC	SC	SC	NA	SC	Ä
Yes Y	0	Ö	H	H	hang	×	T
Is this service provided by the organization?	Org. ID: 76349	All medications, including vaccines and samples, are checked for expiration dates on a regular basis and expired items are disposed of in a manner that prevents unauthorized access and protects safety.	All injectable medications drawn into syringes or oral medications removed from the packaging identified by the original manufacturer must be appropriately labeled if not administered immediately.	Pharmaceutical services provided by the organization are supervised by a licensed pharmacist or, when appropriate, by a physician or dentist who is qualified to assume professional, organizational, and administrative responsibility for the quality of services rendered.	A pharmacy owned or operated by the organization is supervised by a licensed pharmacist.	Pharmaceutical services made available by the organization through a contractual agreement are provided in accordance with the same ethical and professional practices and legal requirements that would be required if such services were provided directly by the organization.	Patients are not required to use a pharmacy owned or operated by the organization.
	Org.	Ö	н	-	7	×	H

Note: This chapter applies to an organization that uses drugs or pharmaceutical medical supplies, irrespective of the presence or absence of an on-site pharmacy.

Consultative Comments

Chapter 16 - Pathology and Medical Laboratory Services I - CLIA Waived Tests

	Supporting and Summary Comments		The organization only provides services that meet the requirements for waived tests under CLIA. The CLIA number is 44D1041791.		Tests performed at the center include glucose, hemoglobin, and urine pregnancy testing.			
	Compliance Rating	SC	SC	SC	SC	SC	SC =	SC
Yes Y/N	Comp	Ch. 16	Sub I	А	A-1	A-2	Д	D #
Is this service provided by the organization?	Org. ID: 76349	Pathology and medical laboratory services provided or made available by an accreditable organization meet the needs of the patients and are provided in accordance with ethical and professional practices and legal requirements. Such an organization has the following characteristics.	Subchapter I - CLIA-Waived Tests: This subchapter applies only to health care organizations providing services that meet the Clinical Laboratory Improvement Amendments of 1988 (CLIA), requirements for waived tests.	An accreditable organization:	Meets the requirements for waived tests under CLIA (part 493 of Title 42 of the code of federal regulations) if it performs its own laboratory services, performs only waived tests, and has obtained a certificate of waiver, and/or	Has procedures for obtaining routine and emergency laboratory services from a certified laboratory in accordance with CLIA if it does not perform its own laboratory services.	Pathology and medical laboratory services provided or made available are appropriate to the needs of the patients and adequately support the organization's clinical capabilities.	Pathology and medical laboratory services include, but are not limited to:
	Org.	Ch. 16	Sub I	A	A-1	A-2	ф	Ö

Chapter 16 - Pathology and Medical Laboratory Services I - CLIA Waived Tests

	Is this service provided by the organization?	Yes Y/N		
Org. ID	Org. ID: 76349	Con	Compliance Rating	Supporting and Summary Comments
C-1	Conducting laboratory procedures that are appropriate to the needs of the patients	ن ا	SC	; 7
C-2	Performing tests in a timely manner	C-2	SC	
C-3	Distributing test results after completion of a test and maintaining a copy of the results	C-3	SC	The surgery center maintains a log book that ensures the accountability for the movement of the specimen and resulting pathology report.
C-4	Performing and documenting appropriate quality control procedures, including, but not limited to, calibrating equipment periodically and validating test results	C-4	SC	2
Ç.S	Ensuring staff performing tests have adequate training and competence to perform the tests.	C-5	SC	
Ω	Dated reports of all examinations performed, including those performed in outside laboratories, are made a part of the patient's clinical record, with documentation that the reports have been reviewed by the patient's health care professional.	Д	SC SC	
	Consultative Comments			

Consider adding a column to the pathology log that assigns accountability for filing the pathology report in the medical record. Initialing such a column by the person filing the report in the medical record closes the loop on the final step in the process.

	Supporting and Summary Comments		
Yes Y/N	Compliance Rating	Ch. 17 SC	3
Is this service provided by the organization?	Org. ID: 76349	Imaging services including those used for diagnosing, monitoring or assisting with procedures provided or made available by an accreditable organization, meet the needs of the patients and are provided in accordance with ethical and professional practices and legal requirements. Such an	organization has the following characteristics.
	Org. II	Ch. 17	

Standards A-E of this chapter will be applied to organizations that provide imaging services used for diagnosing, monitoring, or assisting with procedures. Standards F-K will be applied to organizations providing only imaging services.

The organization uses two C-arm machines to assist in surgery.			υ,				
SC	SC	SC	SC	SC	SC	SC	
∢-	Д	B-1	B-2	B-3	C B4	C-1	
Imaging services provided or made available by the organization are appropriate to the needs of the patient and adequately support the organization's capabilities.	Imaging services include, but are not limited to:	Providing radiographic, fluoroscopic, ultrasonic or other imaging services that are appropriate to the organization's function	Interpreting images and assuring appropriate documentation in a timely manner	Maintaining appropriate records or reports of services provided	Providing adequate space, equipment and supplies to assure the provision of quality services. Health care professionals providing imaging services and/or interpreting results:	-1 Have appropriate training and credentials C-2007 Standards	
∢	В	Ŗ. I	B-2	B-3	B-4	C-1	

	Supporting and Summary Comments	The providers that utilize the fluoroscopy units are privileged to do so.		#2 20		W	Lead aprons are primarily used to protect the patients and staff.	Badges are used to measure the radiation exposure to the personne!.	Records are maintained for radiation exposure.		The organization was surveyed in July 2007 by Radiological Physics Associates for total compliance	physicist is contracted to provide services to the center.	- California
	Compliance Rating	SC	SC	SC	SC SC	SC	SC	SC	SC	SC	SC		
N/X	Com	C-2	C-3	Q	D-1	D-2	D-3	D-4	D-5	D-6	D-7	*** ₂ ;	
Is this service provided by the organization?	Org. ID: 76349	Have been granted privileges to provide these services	Have appropriate safety training and provide their services in a safe manner.	Policies that address the safety aspects of the imaging services include, but are not limited to:	Regulation of the use, removal, handling, and storage of potentially hazardous materials	Precautions against electrical, mechanical, magnetic, ultrasonic, radiation and other potential hazards	Proper shielding where radiation, magnetic field, and other potentially hazardous energy sources are used	Acceptable monitoring devices or processes to assure the safety of all personnel who might be exposed to radiation, magnetic fields or otherwise harmful energy	Maintenance of appropriate exposure records	Instructions to personnel in safety precautions and in dealing with accidental hazardous energy field exposure	Periodic evaluation by qualified personnel of energy sources and of all safety measures followed, including calibration of	equipment and testing the integrity of personal protective devices in compliance with federal, state, and local laws and	regulations.
	Org. I	C-2	C+3	Д	D-1	D-2	D-3	D-4	D-5	D-6	D-7		

	Supporting and Summary Comments	Proper warning notices are in place to alert the public and staff that C-arm procedures are being conducted.	All females of childbearing age are tested for pregnancy unless they have had a hysterectomy. Signage is also prominently displayed to alert and protect workers and patients.		20 20 20 20 20 20 20 20 20 20 20 20 20 2					
	Compliance Rating	SC	SC	NA	NA	NA	NA	NA	É	NA
Yes Y/N	Com	ы	다 	E-2	E-2a	E-2b	E-2c	E-2q	ſĽ,	Ö
Is this service provided by the organization?	Org. ID: 76349	Proper warning signs are in place, alerting the public and personnel to the presence of hazardous energy fields, emphasizing concern for particularly susceptible individuals, including:	Pregnant females	In cases of magnetic resonance imaging:	Patients with metal implantations	Patients or personnel with magnetically inscribed credit cards where appropriate	Patients or personnel wearing metallic objects capable of potentially dangerous motion	Patients with pacemakers or internal defibrillators.	A radiologist authenticates all examination reports, except reports of specific procedures that may be authenticated by specialist physicians or dentists who have been granted privileges by the governing body or its designee to authenticate such reports.	Authenticated, dated reports of all examinations performed are made a part of the patient's clinical record.
	Org.	Щ	굨	E-2	E-2a	E-2b	E-2c	E-2d	Œ,	ŋ

	Is this service provided by the organization?	Yes Y/N	Z.	
Org. ID	Org. ID: 76349	Col	Compliance Rating	Supporting and Summary Comments
Ħ	Diagnostic imaging services provided by the organization are directed by a physician or dentist who is qualified to assume professional, organizational and administrative responsibility for the quality of the services rendered.	ж	SC	
-	Diagnostic imaging tests are only performed upon the order of a health care professional (such orders are accompanied by a concise statement of the reason for the examination).	-	SC	8
⊢ 5	Diagnostic images are maintained in a readily accessible location for the time required by applicable laws and policies of the organization.	m.	NA A	
×	A policy addresses the storage and retention of diagnostic images.	M	NA	

Consultative Comments

Chapter 19 - Employee and Occupational Health Services I - Employee Health in Health Care

	Is this service provided by the organization?	Yes Y/N	,	
Org. ID	Org. ID: 76349	Comp	Compliance Rating	Supporting and Summary Comments
Ch. 19	Occupational health services provided by an accreditable organization are organized to ensure a safe and healthy workplace for employees through the recognition, evaluation, and control of illness and injury in or from the workplace, and to meet the needs of the individuals served. These services are provided in accordance with ethical and professional practices and legal requirements. Such an organization has the following characteristics.	Ch. 19	SC	
Sub I	Subchapter I - Employee Health in Health Care Settings: This subchapter applies to health care organizations that a) only provide services to its health care workers and b) limit such services to those listed in this subchapter.	Sub I	SC C	The organization maintains a focused employee health program for its health care employees. The health care services provided to the employees are usually administrated by the nearby HCA hospital, Southern Hills Medical Center.
	Such an organization maintains a focused employee health program for its health care employees that minimizes risks of occupational injury and illness and complies with occupational health statutes. Such an organization has the following characteristics:		É	a
♥	Health care workers are protected from biologic hazards, consistent with state, federal and CDC guidelines through:	₩	SC	E E E E E E E E E E E E E E E E E E E
A-1	An effective program addressing bloodborne pathogens including:	A-1	SC	
A-1a	Exposure control plan designed to eliminate or minimize employee exposures	A-1a	SC	

Chapter 19 - Employee and Occupational Health Services I - Employee Health in Health Care

	Supporting and Summary Comments	A Hepatitis B vaccination program exists within the system.		n			A tuberculosis respiratory protection program exists within the organization.							in County	n	
	Compliance Rating	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC	SC SC	SC	SC	M _{ox}
Yes Y/N	Comp	A-1b	A-1c	A-1d	A-le	A-2	A-3	A-4	В	B-1	B-2	B-3	ç Ç	C-1	C-2	.I - Page 2
Is this service provided by the organization?	Org. ID: 76349	Hepatitis B vaccination program	Post-exposiure evaluation and treatment	Proper communication of hazards to employees	Appropriate record keeping and management.	An immunization program for other infectious agents of risk to health care workers and their patients	A tuberculosis respiratory protection program	Programs addressing other relevant biological hazards, such as bioterrorism, as needed for employee safety and health.	A program is maintained to assess and reduce risks associated with occupational chemical exposures including;	Hazard assessment of chemicals used in the workplace	Engineering measures to reduce the risk of chemical exposure	Worker training programs.	A program is maintained to assess, and where necessary, reduce risk associated with physical hazards. Consideration may be given to:	Ergonomic exposures	Violence at the workplace	2007 Standards
	Org. I	A-1b	A-Ic	A-1d	A-1e	A-2	A-3	A-4	Д	B-1	B-2	B-3	Ö	C-1	C-2	200

Chapter 19 - Employee and Occupational Health Services I - Employee Health in Health Care

	Supporting and Summary Comments		An employee health file is maintained for each employee, and the health records are managed appropriately.	
	Compliance Rating	SC	SC	
Yes Y/N	Com	C-3	Д	
Is this service provided by the organization?	Org. ID: 76349	External physical threats such as terrorism.	Records of work injuries or illnesses are maintained, consistent with reporting requirements, and employee health records are managed appropriately.	
	Org	C-3	Q	

Summary Table

Org. ID: 76349

Survey Report:				
		Kating		Rating
 Rights of Patients 		SC	14. Immediate/Urgent Care Services	NA
2. Governance		SC	15. Pharmaceutical Services	SC
I. General Requirements	nts	SC	16. Pathology and Medical Laboratory Services	SC
II. Credentialing and Privileging	Privileging	SC	I. CLIA Waived Tests	SC
3. Administration		SC	II. CLIA Laboratories	NA
4. Quality of Care Provided	ded	SC	17. Diagnostic and Other Imaging Services	SC
5. Quality Management an	and Improvement	SC	18. Radiation Oncology Treatment Services	NA
I. Peer Review		SC	19. Employee and Occupational Health Services	SC
II. Quality Improvemen	nent Program	SC	I. Employee Health in Healthcare Settings	SC
III. Risk Management		SC	II. Occupational Health Services	NA
6. Clinical Records and Health Information	Health Information	SC	20. Other Professional and Technical Services	N A
8. Facilities and Environment	ument	SC	I. General Services	NA A
9. Anesthesia Services		SC	II. Travel Medicine	NA
10. Surgical and Related Services	Services	SC	21. Teaching and Publication Activities	NA
11. Overnight Care and Serv	ervices	NA	22. Research Activities	NA A
12. Dental Services		NA	23. Managed Care Organizations	NA
13. Emergency Services		NA	24. Health Education and Health Promotion	NA



Internet: www.aaahc.org

Phone: (847) 853-6060

E-Mail: info@aaahc.org

IMPROVING HEALTH CARE QUALITY THROUGH ACCREDITATION

AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY:

SOUTHERN HILLS SURGERY CENTER

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.



Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 11th day of ebroaks, 2015, witness my hand at office in the County of <u>DAVIDSON</u>, State of Tennessee.

NOTARY PUBLIC

My commission expires $\frac{7/2}{2018}$,

HF-0043

Additional Information -Copy-

Southern Hills Surgery Center

CN1411-047

${ m DSG}$ Development Support Group

December 8, 2014

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE:

CON Application #1411-047

Southern Hills Surgery Center--Clarification/Correction

Dear Mr. Earhart:

This letter transmits replacement page 26R for this application. The table on that page and its footnote referred to a prior CON application from which the table format was copied. This replacement page corrects the footnote and the title for Table Six.

Thank you for your assistance.

uhn Wellow

Respectfully,

John Wellborn Consultant

217

C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

In its initial years, the project's patient origin is expected to reflect the current ambulatory surgery patient origin of TriStar Southern Hills Medical Center. The surgeons who will practice at the relocated facility comprise many of the hospital's current surgical staff. Patient origin projections are in Table 6 below. The three primary service area counties will generate approximately 85% of the cases. No other county is expected to generate even 3% of the caseloads.

Table Six: Projected Patient Origin of Southern Hills Surgery Center						
County	Percent of Total	Year One Cases	Year Two Cases			
Davidson	65%	2,061	2,341			
Rutherford	12%	381	432			
Williamson	8%	254	288			
Subtotal PSA	85%	2,696	3,061			
Wilson	2%	63	72			
Maury	2%	63	72			
Other Co. <2%	11%	348	397			
Total All Counties	100%	3,170	3,602			

A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY:

SOUTHERN HULLS SUBBLEY CENTER

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, ue, accurate, and complete to the best of my knowledge.

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the Sth day of lecember, 2014, witness my hand at office in the County of DAVIDSON, State of Tennessee.

NOTARY PUBLIC

My commission expires Joly 2,

HF-0043

Revised 7/02



State of Tennessee Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 **www.tn.gov/hsda** Phone: 615-741-2364 Fax: 615-741-9884

December 1, 2014

John L. Wellborn, Consultant Development Support Group 4219 Hillsboro Road, Suite 210 Nashville, TN 37215

RE: Certificate of Need Application -- Southern Hills Surgery Center - CN1411-047

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the relocation of Southern Hills Surgery Center from 360 Wallace Road, Nashville (Davidson County), TN 37211, to leased space in a building to be constructed at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN 37250. Project cost is \$17,357,832.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on December 1, 2014. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on February 25, 2015.

John L. Wellborn, Consultant 4219 Hillsboro Road, Suite 210 December 1, 2014 Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill Executive Director

Melan Wille

MMH:mab

cc: Trent Sansing, CON Director, Division of Health Statistics



State of Tennessee **Health Services and Development Agency**

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO:

Trent Sansing, CON Director

Office of Policy, Planning and Assessment

Division of Health Statistics

Andrew Johnson Tower, 2nd Floor 710 James Robertson Parkway

Nashville, Tennessee 37243

FROM:

Melanie M. Hill **Executive Director**

DATE:

December 1, 2014

RE:

Certificate of Need Application

Southern Hills Surgery Center - CN1411-047

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on December 1, 2014 and end on February 1, 2015.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:mab

Enclosure

John L. Wellborn, Consultant cc:

CERTIFICATE OF NEED REVIEWED BY THE DEPARTMENT OF HEALTH DIVISION OF POLICY, PLANNING AND ASSESSMENT

615-741-1954

DATE:

February 27, 2015

APPLICANT:

Southern Hills Surgery Center

Unaddressed site at the NE corner of intersection At Old Hickory Blvd. and American General Way

Brentwood, Tennessee 37250

CN1411-047

CONTACT PERSON:

John L. Wellborn, Consultant Development Support Group 4219 Hillsboro Road, Suite 210 Nashville, Tennessee 37215

COST:

\$17,500,000

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Southern Hills Surgery Center, owned and operated by Surgicare of Southern Hills, seeks Certificate of Need (CON) approval to relocate its ambulatory surgery center (ASTC) from 360 Wallace Road, Nashville, Tennessee, to a leased space in a building to be constructed at an unaddressed site in the northeast corner of Old Hickory Blvd. and American General Way in Brentwood, Tennessee.

The proposed site is within Davidson County, adjoining Old Hickory Boulevard, less than a mile east of the intersection of Old Hickory Boulevard and I-65. This facility will contain three operating rooms and two procedures rooms; the same as the current facility located at Wallace Road. The project involves 18,109 square feet of leased space at a cost of \$360 per square feet. The estimated project cost is \$17,500,000 and funding will be provided through a cash transfer from HCA Holdings, Inc. The applicant provides documentation of funding availability for the project in Attachment C. Economic Feasibility-2.

Southern Hills Surgery Center is wholly owned by HCA, Inc. through a series of wholly owned HCA subsidiaries. The applicant intends to syndicate the ASTC with physicians at the new location, and if that occurs, the applicant will maintain majority (51% or more) control of the facility.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.

NEED:

The 2015 population of Davidson County is 663,151, increasing to 688,318 in 2018; an increase of 3.8%.

Southern Hills Surgery Center (SHSC) proposes to relocate its multi-specialty ASTC 5.5 miles from

its present location to south Nashville close to the Brentwood city boundary. Both the current and proposed sites are within the far southern portion of Davidson County.

This project will not change the ASTC's scope of services nor its surgical capacity. The current facility contains 3 operating rooms and two procedure rooms. The proposed ASTC will be a one-story facility with approximately 18,109 square feet and will have 3 surgical rooms and 2 procedure rooms with shelled-in space for a 4th operating room; all constructed to meet current AIA standards when DOH licensure adopts these standards. In addition, the facility will contain thirteen pre-op and five post-op/recovery stations.

The current ASTC on Wallace Road was approved in 2004 by HSDA and licensed by DOH in 2005. At that time, the building was leased from an unrelated third party. When originally developed, Southern Hills Surgery Center was owned by Southern Hills Surgery Center, L.P., in which Surgicare Southern Hills was the general partner. At that time, surgeons on staff at TriStar Southern Hills Medical Center held partnerships interests. Several years later, the L.P. was dissolved and Surgicare of Southern Hills, Inc. became sole owner and licensee as it is currently.

In mid-2008, the facility ceased to perform significant numbers of cases and its cases were moved back to Southern Hills Medical Center. The facility has not performed cases as an ASTC since that time. TriStar Southern Medical Center has performed its own GI endoscopy cases due to lack of hospital surgical capacity on peak days at the ASTC location. The ASTC license has been in inactive status since 2008 and is subject to annual review by DOH's Licensure Board.

The applicant reports there is now an increased physician presence that was not there in 2008. The active surgical staff has increased and is almost twice as large as before. Inpatient cases are increasing and operating space is in higher demand. The ASTC is a much more attractive choice for surgeons than the former ASTC.

The need for this project is demonstrated by the following improvements that would be created by the approval of the applicant's proposed project.

• Building a newer facility, built to up-to-date design standards and State codes; with larger operating rooms and 18 pre-op and 5 post-op/recovery stations with the same operating complement will provide an increase in the quality of care the patients will receive. In addition, the new facility will have an air changer that will cleanse the ORs 15 times a day.

The facility will increase the OR room size to 415 square feet of space from the old room size of 340 square feet. The overall facility space will increase from 12,958 to 18,109 square feet.

- Currently, there is no multi-disciplinary ASTC's in the immediate Brentwood area. This
 area is home to populous, high growth residential and office communities near Brentwood;
 with portions located in both Davidson and Williamson counties.
- The applicant notes that by moving a large number of cases from the hospital's operating rooms to the ASTC, there will be a cost savings of up to 40% or more for the healthcare system.
- The current facility is leased from an unrelated third party with lease payments of \$30,000 per month. HCA's preference is to buy instead of renting real estate and make payments to HCA subsidiaries, thus keeping all revenues within the company.

The project's service area will remain the same as the current ASTC site. The service area population projections are provided below.

Service Area Total Population Projections for 2015 and 2019

County	2015 Population	2019 Population	% Increase/ (Decrease)
Davidson	663,151	688,318	3.8%
Rutherford	302,237	338,904	12.1%
Williamson	207,872	228,670	10.0%
Total	1,173,260	1,255,892	7.0%

Source: Tennessee Population Projections 2000-2020, February 2008 Revision, Tennessee Department of Health, Division of Health Statistics

In 2008, the last year the ASTC was in operation, the facility performed 1,390 total cases or 556 cases per room. The facility projects 3,170 and 3,602 cases in 2017 and 2018, respectively.

TENNCARE/MEDICARE ACCESS:

The applicant will participate in the Medicare and Medicaid programs and will contract with AmeriCare or BlueCare, United Healthcare Community Plan, and TennCare Select.

The applicant projects a 17.3% or a \$4,851,441 Medicare payor mix, 12.1% or \$3,393,204 a TennCare payor mix.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY: The Department of Health, Division of Policy, Planning, and Assessment has reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and the projections are correct based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Cost Chart is located on page 39 of the application. The total estimated project cost is \$17,357,832.

Historical Data Chart: The Historical Data Chart for 2007 is located in Supplemental 1. In 2007, the facility performed 2,519 cases with a net operating loss of (\$773,645).

Projected Data Chart: The Projected Data Chart is located on page 43 of the application. The applicant projects 3,170 and 3,602 cases in years one and two, with net operating income of \$116,527 and \$241,976, each year, respectively.

The applicant provided the average charges, deductions, net charge, and net operating income below.

	CY2017	CY2018
Cases	3,170	3,602
Average Gross Charge Per case	\$8,847	\$8,980
Average Deduction per case	\$7,467	\$7,579
Average Net Charge (Net Operating Revenue) per case	\$1,380	\$1,401
Average Net Operating Income After Expenses, per case	\$131	\$150

The applicant compared their proposed 2017 charges with the 2013 service area facilities on page 46 of the application. The applicant's charges compare favorably with those of the other facilities in the service area.

The applicant needs a larger space, more current licensing designs, and a reduced lease payment to third parties. There were no other alternatives available to meet these needs.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

Southern Hills Surgery Center has been and will continue to be affiliated with HCA Health Services of Tennessee, the HCA Division office responsible for operations of HCA's hospitals and surgery centers. The applicant will remain specifically affiliated with TriStar Southern Hills Medical Center and with whom they will share the surgical staff.

Southern Hills Surgery Center believes the placing of a new ASTC in a large and growing community will have a positive effect. Moving several thousand cases from the hospital setting will lower reimbursement costs paid by insurers. In addition, the increased accessibility of the new location will allow Southern Hill's surgeons to serve patients at a preferred site.

The applicant states that due to most of the projected ASTC's utilization coming from TriStar Southern Hills Medical Center's own surgical suites, other area facilities should not be adversely affected.

The projected staffing for the project is located on page 52 of the application. The applicant projects 19.0 FTEs in year one and 22.0 FTEs in year two of the project. It is anticipated that most of the staff will be transferring from TriStar Southern Hills Medical Center's own staff.

Southern Hills Surgery Center is not currently involved in the training of students.

The applicant is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities, Medicare and Medicaid certified, and fully accredited by the Accreditation Association for Ambulatory Health Care.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

This criterion is not applicable.

- 2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

The applicant looked at renovation but the existing building was not suitable to expand the surgical suites, pre-op, and recovery areas to meet licensure standards. Additionally, the problem of large lease payments to an unrelated third party was a major priority in relocating and building a new facility. The proposed project is the most feasible way of realizing a successful business venture.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

The applicant submitted letters of support from surgeons who will perform case at the new location. The applicant states these commitments along with the continued population growth in the area, make this project feasible.

- 3. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.
 - b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

The above criteria are not applicable.

		*

Trauger & Tuke

ATTORNEYS AT LAW

THE SOUTHERN TURF BUILDING

222 FOURTH AVENUE NORTH

NASHVILLE, TENNESSEE 37219-2117

TELEPHONE (615) 256-8585
TELECOPIER (615) 256-7444

February 9, 2015

VIA EMAIL and US POSTAL SERVICE

Ms. Melanie Hill
Executive Director
Tennessee Health Services
& Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE:

Southern Hills Surgery Center

Nashville, Tennessee CON #CN1411-047

Dear Ms. Hill:

On behalf of my clients, listed below, I write to oppose the referenced certificate of need application because the application does not meet the statutory criteria for a certificate of need. This opposition is filed on behalf of:

- 1. St. Thomas Campus Surgicare, LP;
- 2. Baptist Surgery Center, LP d/b/a Baptist Ambulatory Surgery Center;
- 3. Baptist Plaza Surgicare, LP d/b/a Baptist Plaza SurgiCare and d/b/a Nashville EndoSurgery Center;
- 4. Franklin Encoscopy Center, LLC d/b/a Franklin Surgery Center; and
- 5. Physicians Pavilion, LP d/b/a Physicians Pavilion Surgery Center.

Representatives of my clients will attend the February 25, 2015 meeting of the Health Services & Development Agency to express their opposition to this application.

Very truly yours,

Byron R. Trauger

BRT/kmn

cc: John Wellborn, Consultant



February 9, 2015

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Southern Hills Surgery Center, CN1411-047

Dear Ms. Hill:

This letter is submitted on behalf of Vanderbilt University Medical Center ("VUMC") in opposition to the certificate of need application referenced above. The project described in the application does not meet the Agency's criteria for approval and it should be denied. Representatives of VUMC will be present at the Agency's meeting on February 25, 2015, to provide additional information and answer questions the Agency members may have.

Thank you for your attention to this letter.

Very truly yours,

BUTLER SNOW LLP

Dan H. Elrod

clw

cc: John Wellborn

BAKER DONELSON BEARMAN, CALDWELL & BERKOWITZ, PC

WILLIAM WEST, SHAREHOLDER Direct Dial: (615) 726-5561 Direct Fax: (615) 744-5561 E-Mail Address: bwest@bakerdonelson.com NASHVILLE, TENNESSEE 37201

MAILING ADDRESS:

211 COMMERCE STREET

BAKER DONELSON CENTER, SUITE 800

MAILING ADDRESS:
POST OFFICE BOX 190613
NASHVILLE, TENNESSEE 37219

PHONE: 615.726.5600

www.bakerdonelson.com

AX: 615.726.0464

February 9, 2015

Via Hand Delivery

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Re: Opposition of Williamson Medical Center to Certificate of Need Application No.

CN1411-047 for Southern Hills Surgery Center

Dear Ms. Hill:

Please be advised that this firm represents Williamson Medical Center, the public hospital located in Franklin, Williamson County, Tennessee.

Williamson Medical Center has directed us to file this letter of opposition to certificate of need application number CN1411-047, in which the Southern Hills Surgery Center seeks to relocate from its current licensed location near the Southern Hills Medical Center to property at the intersection of Old Hickory Boulevard and American General Way in southern Davidson County.

Williamson Medical Center asserts that Southern Hills Surgery Center's CON application CN1411-047 fails to satisfy the statutory criteria for the grant of a certificate of need. The project now proposed by Southern Hills Surgery Center is not necessary to provide needed healthcare in the area to be served, and will not contribute to the orderly development of adequate and effective healthcare facilities or services.

Representatives of Williamson Medical Center will be present at the HSDA meeting on February 25, 2015 to present its detailed case as to why CON application CN1411-047 should not be granted. A copy of this letter of opposition is being forwarded via email to John Wellborn, the contact person for the project, and to Jerry Taylor, the attorney for the project. If you have any questions about this letter, please advise.

Ms. Melanie Hill February 9, 2015 Page 2

Sincerely,

BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ, PC

William West

WHW/mhh

ce: John Wellborn - via email jwdsg@comcast.net

Jerry Taylor - via email jtaylor@burr.com

DSG Development Support Group

November 24, 2014

Phillip M. Earhart, HSD Examiner Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application #1411-047

Southern Hills Surgery Center--Support Letters Consolidated

Dear Mr. Earhart:

This letter provides a consolidation of all the support letters we have received for the subject project being heard by the Board this month. Most have been submitted to the Agency already. This consolidation is to make it easier for Agency staff to prepare the forthcoming mail-out. Supporters include the following:

- Metro Councilmembers from Council Districts 4, 32, 33, and 34 (Brady Banks, Jacobia Dowell, Robert Duvall, Carter Todd). Their letters reflect an ethnically diverse and growing service area population and cite TriStar Southern Hills' record of addressing their area's special needs.
- Community leaders such as "Neighborhood Health" (formerly United Neighborhood Healthcare Services) and representatives of local organizations and businesses.
- Seventeen surgeons on staff at TriStar Southern Hills Medical Center, who understand the need for this facility to reopen at the proposed location.

Please ensure that this consolidation is included in your mail-out to Board members this week. Thank you.

Respectfully,

John Wellborn



January 5, 2015

Ms. Melanie Hill **Executive Director** Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the CEO of Neighborhood Health, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

TriStar Southern Hills Medical Center has also invested over \$20 million in capital improvement in the past 5 years greatly improving the community's access to high quality healthcare. Based on these and other strategies, the hospital has seen amazing growth over this time period, 24% growth in ER visits and 19% growth in inpatient admissions. This high growth has led to overcrowding on the main hospital campus.

In an effort to relieve overcrowding on the main hospital campus, TriStar Southern Hills Medical Center plans to expand service onto property 5 miles from the hospital that was recently acquired. My customers and this community would benefit greatly from this addition. The fact that TriStar plans to invest an additional \$17 million into our neighborhood speaks volumes to our area's growth. The convenient health care would be invaluable to the health of the residents of the area.

When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Mary Brywack

Neighborhood Health

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

One Public Square, Suite 204 Nashville, Tennessee 37201 Office: (615) 862-6780 5845 Brentwood Trace Brentwood, Tennessee 37027 Home: (615) 739-6825

BRADY BANKS

Councilman, District 4 www.nashville.gov/council Email: brady.banks@nashville.gov

January 20, 2015

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed Southern Hills Expansion

Dear Ms. Hill:

I am writing in support of TriStar Southern Hills Medical Center's plans for a satellite campus at Old Hickory Boulevard and I-65. I know you have before you two Certificate of Need applications from TriStar Southern Hills – one for an ambulatory surgery center and one for a freestanding emergency room. As the Metro Nashville councilman for District 4, where the HCA property is located, I support both projects.

My district is in a growing part of Davidson County that is home to many young families who want to be close to downtown Nashville while still enjoying the suburban lifestyle that this community offers. Access to high-quality health care is also on their list of must-haves.

TriStar Southern Hills has been an important part of the south Nashville community for 35 years. I have discussed with TriStar Southern Hills Chief Executive Officer, Tom Ozburn, the hospital system's commitment to serving south Nashville. TriStar has invested \$20 million in upgrades to the main hospital on Wallace Road, including a new joint and spine center, new imaging equipment, and a new cardiac catheterization lab. They would welcome the opportunity to expand at the main campus, but they are simply out of space.

This proposed expansion is not part of a long-term plan to replace the main Southern Hills hospital, but is instead exactly what it seems – a chance to offer much-needed health care services in a bustling part of the county. TriStar has no plans to shutter Southern Hills, as evidenced by the investments to the property which I've shared above.

Ms. Melanie Hill Page Two January 20, 2015

The proposed emergency room will be just 5 miles from the main TriStar Southern Hills campus and will be easily accessible from I-65 and from the many neighborhoods that border Old Hickory Boulevard and Hill Road. My constituents – like many residents of Nashville – do have concerns about traffic; but if TriStar is allowed to pursue the emergency room, residents' travel time to emergency services will be shortened considerably. The new ER will also reduce wait times at the existing ER, where many patients wait longer than an hour to be seen.

I am aware that the Health Services and Development Agency considers the orderly development of health care when deciding whether or not a project can move forward. I can think of nothing more in line with that criterion than a hospital system's wanting to expand into an underserved area of the county.

TriStar has been very forthcoming about their plans for my district and for the proposed satellite campus. They are scheduling several neighborhood meetings, and they truly want to have a discussion about the future health care needs of south Nashville.

TriStar Southern Hills has my full support for both the surgery center and the emergency room. I hope that the HSDA will approve the Certificate of Need applications for both projects in early 2015.

Thank you for your consideration.

Sincerely,

Brady Banks

Metro Councilman, District 4

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

One Public Square, Suite 204 Nashville, Tennessee 37201 Office: (615) 862-6780

Email: jacobia.dowell@nashville.gov

2609 Welshcrest Drive Antioch, Tennessee 37013 Home: (615) 731-3177 Cell: (615) 498-7094

JACOBIA DOWELL

Councilwoman, District 32

January 2, 2015

Ms. Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As a Metro Councilwoman, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital also formed a partnership with the YMCA, offering Y service on the hospital campus to the residents, patients, and employees of South Nashville. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

TriStar Southern Hills Medical Center has also invested over \$20 million in capital improvements in the past 5 years greatly improving the community's access to high quality healthcare. Based on these and other strategies, the hospital has seen amazing growth over this time period, 24% growth in ER visits and 19% growth in inpatient admissions. This high growth has led to overcrowding on the main hospital campus.

In an effort to decongest the main hospital campus, TriStar Southern Hills Medical Center plans to expand service onto property 5 miles from the hospital that was recently acquired. My constituents', my family and the entire Southeast community would benefit greatly from this addition. The fact that

January 2, 2015 Page 2

TriStar plans to invest an additional \$17 million into our neighborhood speaks volumes to our area's growth. The convenient health care would be invaluable, not to mention the positive economic impact the TriStar Southern Hills facility would have on local businesses.

When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

Jacobia Dowell

Councilwoman, District 21

Jacobia C. Dowell

JD/rh



METROPOLITAN COUNCIL

Member of Council

Fax: 615/862-6784

ROBERT DUVALL Councilmember, District 33 208 Cambridge Place • Antioch, Tennessee 37013 Office: 615-862-6780

January 21, 2015

Ms. Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As a Metro Councilman, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital also formed a partnership with the YMCA, offering Y service on the hospital campus to the residents, patients, and employees of South Nashville. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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In an effort to decongest the main hospital campus, TriStar Southern Hills Medical Center plans to expand service onto property 5 miles from the hospital that was recently acquired. My customers, my family and this community would benefit greatly from this addition. The fact that TriStar plans to invest an additional \$17 million into our neighborhood speaks volumes to our area's growth. The convenient health care would be invaluable, not to mention the positive economic impact the TriStar Southern Hills facility would have on local businesses.

When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

Robert Duvall

Councilmember, District 33

RD/rh

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

One Public Square, Suite 204 Nashville, Tennessee 37219 Office: (615) 291-6734

Email: carter.todd@nashville.gov

January 29, 2015

4005 Wallace Lane Nashville, Tennessee 37215 Home: (615) 292-2309 Mobile: (615) 305-8903

CARTER R. TODD

Councilman, District 34

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, Tennessee 37243

RE: Proposed Southern Hills Expansion

Dear Ms. Hill:

The Certificate of Need process serves a very important purpose for our state and its health care industry. I know you currently have two TriStar CON applications before you, and I hope you will agree with me that we need these approved in order to be ready for the continued growth of the south Nashville area.

As councilmember for District 34, the service area of the proposed TriStar Southern Hills satellite campus stretches to the outer borders of my district. The population growth of south Nashville is dynamic and I not only hear stories of growth from my constituents but I see it on our street and in my neighborhood.

There are a number of financial reasons why welcoming TriStar's expansion in this community is a good idea. One of these is the estimated investment of more than \$30 million. As a parent, I also take seriously the issue of easy access to quality health care. This area of the city clearly needs quality care options closer to home. I am thankful that TriStar is here and willing to fill this need.

I hope the HSDA will keep these factors in mind during the coming months and will grant approval to both CON applications. TriStar is a trusted corporate citizen in Davidson County. Its proposed expansion in southern Davidson County, if approved, will serve residents of this area for generations to come.

Sincerely,

Carter Todd

Councilmember, District 34

Support Letters from Southern Hills Medical Center Physicians

First Name	Last Name	Specialty Consol Surgery
Suhail	Allos	General Surgery
Jonathan	Benson	GI Surgery
James	Ettien	General Surgery
Robert	Frankfarther	Podiatric Surgery
Robbi	Franklin	Neurosurgery
David	Gilpin	Plastic and Reconstructive Surgery
Steven	Johnson	Sports Medicine/Family Practice
Thomas	Kreuger	Vascular/Thoracic/General Surgery
Doug	Mathews	Neurosurgery
Robert	Mericle	Neurosurgery
Maria	Perales	Gynecologic Surgery
Cliff	Retief	Podiatric Surgery
Jonathan	Rotker	GI Surgery
Jeff	Seebach	General Surgery
Mark	Shelton	Vascular Surgery
Stephen	Skaggs	Gynecologic Surgery
James	Sudberry	Podiatric Surgery
Mark	Williams	Otolaryngology (ENT)



Southern Hills Surgical Consultants

397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882

TriStarMedGroup.com

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Suhail H. Allos, M.D., FACS

James T. Ettien, M.D., FACS

Thomas C. Krueger, M.D., FACS

Jeff F. Seebach, M.D., FACS

Mark W. Shelton, M.D., FACS

Dear Mrs. Hill:

RE:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

CON Application to Relocate the Southern Hills Surgery Center

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Signature:

Smith Milm

Name: S. Allo S

Medical Specialty: G. Smyry



Jonathan Rotker, M.D., FACG

Jonathan Benson, M.D.

Anthony Montemuro, M.D.

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

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We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Signature:

Name: Jonathan Benson

Medical Specialty: Gastrounterology



Southern Hills Surgical Consultants

397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882 TriStarMedGroup.com

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

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Mark W. Shelton, M.D., FACS

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We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Signature:

Specialty: Surger

Medical Specialty:

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

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We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Name: R Formt Soller
Medical Specialty: Poliotry

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

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We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Respectfully,
Signature: MM 2

Name: Kolthi Franklin

Medical Specialty: Neurosurgem



DR. DAVID GILPIN

Facial Plastic & Reconstructive Surgery, ENT

397 Wallace Road * Holmes Plaza * Suite 101 Nashville, TN 37211 * 615-942-7301 * www.DrDavidGilpin.com

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We could be interested in that opportunity and would appreciate the Agency's favorable consideration of this project.

Respectfully,

David A. Gilpin, M.D.

Facial Plastic and Reconstructive Surgery/Otolaryngology



January 2, 2015

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: Proposed TriStar Southern Hills Surgery Center

Dear Ms. Hill:

I am writing to express my support for the proposed TriStar Southern Hills

Surgery center. As a physician with privileges at TriStar Southern Hills Medical

Center, for the last 17 years, I can vouch for the fact that TriStar has been and will

continue to be a good community citizen. I have seen the commitment and investment TriStar Southern

Hills has made and it has made me proud to be involved in the medical community.

The proposed surgery center makes sense on a number of levels. TriStar wishes to invest more than \$17 million in the southern Davidson County area for this project. The new facility will bring patients to the area for medical appointments and healthcare. In addition the investment will bring customers and revenue for local businesses and restaurants.

For southern Davidson County residents, the new facility means they will no longer have to drive 20 or more minutes in traffic to get quality medical care. As the population in this part of town grows, so does the congestion on its main roads.

For the current TriStar Southern Hills location on Wallace Road, a satellite campus will mean more timely and personalized care for our patients. It is no secret that the main campus is becoming increasingly overcrowded. With no room to expand the current facility, a satellite location to better serve these community members is the only answer.

I intend to use the proposed surgery center if it is approved by the HSDA. This facility meets the HSDA's criterion of contributing to the orderly development of health care. It will be a great asset to a growing community.

I ask that the HSDA please approve TriStar Southern Hills' Certificate of Need application when the board meets on February 25.

Sincerely,

Steven P/Johnson, MD

TriStar Southern Hills 397 Wallace Road Bldg C-100 Nashville, TN 37211 615.834.6166 Cane Ridge 3534 Murfreesboro Pike Suite 104 Antioch, TN 37013 615.641.6767 Brentwood East 6716 Nolensville Pike Suite 100 Brentwood, TN 37027 615.941,7501 Lenox Village 6900 Lenox Village Drive Suite 8 Nashville, TN 37211 615.469.7556

George L. Holmes, III, M.D.

Robert G. Bishop, Jr., M.D.

Matthew L. Brust, M.D. Steven P. Johnson, M.D.

Jeffrey Greene, M.D.

Daniel Hartman, D.O.

Keren Holmes, M.D.

Kelly Odum, FNP-C

Meredith Schweitzer, D.O.

Kathryn Fordham, FNP-BC Jonathan Lee, FNP-C

Christopher D. Holloway, M.D.



November 12, 2014

Southern Hills Surgical Consultants

397 Wallace Road, Suite. C-414 Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882 TriStarMedGroup.com

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Suhail H. Allos, M.D., FACS

James T. Ettien, M.D., FACS

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We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully

Medical Specialty:

general, Vascular & Thoracce Surgery



330 22nd Avenue North Nashville, TN 37203

office (615) 320-0007 • fax (615) 320-0009

www.nashvilleneurosurgery.com www.hwneuro.com

January 9, 2015

Robert A. Mericle, MD, FAANS

Board Certified Fellowship Trained Neurovascular Experti.

Ms. Melanie Hill Executive Director

Nashville, TN 37243

Arthur J. Ulm, MD Board Certified Fellowship Trained Neurovascular Experti Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor

502 Deaderick Street

Douglas C. Mathews, MD, FACS

Board Certified Spine Expertise

RE: Proposed Southern Hills Surgery Center

Robbi F. Franklin, MD

Fellowship Trained Neurovascular Experti

Dear Ms. Hill:

Darice Spackman, PA-Physician Assistant Neurovascular Expert As a surgeon at TriStar Southern Hills, I see patients every day who would benefit from the proposed surgery center at the intersection of Old Hickory Boulevard and American General Way.

Jessica Pope, PA-C Physician Assistant Neurovascular Expert.

Phillip Lewellen, PA-C

Neurovascular Expert

Davidson County is growing rapidly. It is the duty of those of us who serve the community to keep up with this growth. Sufficient access to high-quality medical care must not suffer. My patients routinely share their concerns about traffic and how long it takes them to reach my office. The new Southern Hills expansion would better serve this population. I am proud that TriStar is doing its part.

Brian Kisner, PA-C Physician Assistant Neurovascular Expert

I am also proud of TriStar's investment in our community. TriStar Southern Hills opened its doors more than 35 years ago and has made every effort possible to be a good neighbor for southern Davidson County. This still rings true today with the proposed \$17.5 million investment in the new surgery center project.

Thank you for your consideration. I hope the Health Services and Development Agency will grant TriStar Health System the approval it needs to build a new surgery center on the proposed satellite campus.

Sincerely,

soules Confathens

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

Dear Mrs. Hill:

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We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Signature: Polyt A Herrice MD

Name: Robert A. Merrice MD

Medical Specialty: Neurosurgery

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

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Respectfully,

Signature:

Medical Specialty:

Name: Maria Deralas

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

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Respectfully,

Signature:

Name: I. CLIFFORD RETIER

Medical Specialty: PODIATRIC SURCERIT



Jonathan Rotker, M.D., FACG

Jonathan Benson, M.D.

Anthony Montemuro, M.D.

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

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Respectfully,

Signature:

Name:

MARCHER D. MECKET MA FACE

ITHAN D. ROTKER MD, FACE

Medical Specialty: GASTROENTEROLOGY



Southern Hills Surgical Consultants 397 Wallace Road, Suite. C-414

> Nashville, TN 37211 phone: 615-781-9499 fax: 615-781-3882

TriStarMedGroup.com

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Suhail H. Allos, M.D., FACS

James T. Ettien, M.D., FACS

Thomas C. Krueger, M.D., FACS

CON Application to Relocate the Southern Hills Surgery Center RE:

Jeff F. Seebach, M.D., FACS

Mark W. Shelton, M.D., FACS

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through a syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

Respectfully,

Name: Jeff Sechach, MD

Medical Specialty: General Surgeon



Southern Hills Surgical Consultants

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Respectfully,

Signature: Man Sulva Mame: Mark W. Shellan MD

Medical Specialty: V>5cular Surgary

Noy P. Burch Jr., M.D. Stephen M. Staggs, M.D.

Royce T. Adkins, M.D.

Melody R. Adler, M.D.

D. Phillips Altenbern, M.D.

Anne F. Anderson, M.D.

Brian C. Beatty, M.D.

Lewis J. Bellardo, M.D.

Anne Blake, M.D.

Phillip L. Bressman, M.D.

Jill F. Chambers, M.D.

James F. Daniell, M.D.

C. Wade Davidson, M.D.

Cathy A. Deppen, M.D.

Jeffrey D. Draughn, M.D.

Melanie A. Dunn, M.D.

Joe Michael Edwards, M.D.

Frederick L. Finke, M.D.

James H. Growdon, M.D.

Rhonda T. Halcomb, M.D.

Kevin M. Hamilton, M.D.

Katherine C. Haney, M.D.

M. Bruce Hirsch, M.D.

Lisa M. Jabusch, M.D.

Bryan R. Kurtz, M.D.

H. Newton Loworn Ir., M.D.

John W. Macey Jr., M.D.

Roseann Maikis, M.D.

Carol H. McCullough, M.D.

Sam Houston Moran, M.D.

Lisa B. Morgan, M.D.

Elizabeth L. Oldfield, M.D.

Richard E. Presley, M.D.

Melissa G. Reynolds, M.D.

Sherrie A. Richards, M.D.

Geoffrey H. Smallwood, M.D.

Catherine M.Thornburg, M.D.



TENNESSEE WOMEN'S CARE, PC

Obstetrics and Gynecology

November 12, 2014

343 Franklin Road | Suite 108 | Brentwood, TN 37027 T 615-373-1255 F 615-371-9040

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

From: Stephen Michael Staggs M.D., M.T.S.
Tennessee Obstetrics & Gynecology
343 Franklin Road, Brentwood, Tennessee 37027

Dear Mrs. Hill:

This practice supports the proposal to relocate the Southern Hills Surgery Center within Davidson County, from its present location on Wallace Road, to a new site five miles from the TriStar Southern Hills Medical Center campus.

The relocation will enable TriStar Southern Hills Medical Center's Ambulatory Surgery Center to be located in a building and on property owned by the hospital.

We understand that the facility will offer an opportunity for its surgical staff to participate in ownership through syndication at a later time. We are interested in that opportunity. Your favorable consideration of the project would be much appreciated by us and our colleagues.

I have worked in Brentwood for 32 years on Franklin Road and patients need this surgery center.

Respectfully.

Stephen Staggs

TENNESSEE FOOT & ANKLE **SPECIALISTS**

J. ALLEN SUDBERRY, D.P.M.

SOUTHERN HILLS MEDICAL CENTER 397 WALLACE RD., BLDG. C, STE. 311 NASHVILLE, TN 37211 PHONE 615-712-7366 FAX 615-712-7858

- BOARD CERTIFIED IN FOOT SURGERY & RECONSTRUCTIVE REARFOOT/ANKLE SURGERY AMERICAN BOARD OF PODIATRIC SURGERY
- FELLOW, AMERICAN COLLEGE OF FOOT & ANKI **SURGEONS**

November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application to Relocate the Southern Hills Surgery Center

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Respectfully,

James a. Indhe Name: James A. Sudberry, DPM

Medical Specialty: Podiatry



November 12, 2014

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

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Respectfully,

Mark A. Williams, M.D., Ph.D

uch Cecliel -

Otolaryngology



January 6, 2015

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the Vice President of Fifth Third Bank, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

TriStar Southern Hills Medical Center has also invested over \$20 million in capital improvement in the past 5 years greatly improving the community's access to high quality healthcare. Based on these and other strategies, the hospital has seen amazing growth over this time period, 24% growth in ER visits and 19% growth in inpatient admissions. This high growth has led to overcrowding on the main hospital campus.

In an effort to decongest the main hospital campus, TriStar Southern Hills Medical Center plans to expand service onto property 5 miles from the hospital that was recently acquired. My customers, my family and this community would benefit greatly from this addition. The fact that TriStar plans to invest an additional \$17 million into our neighborhood speaks volumes to our area's growth. The convenient health care would be invaluable, not to mention the positive economic impact the TriStar Southern Hills facility would have on local businesses.

When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

Bob Gerard Vice President Fifth Third Bank



Lake Providence

Missionary Baptist Church • H. Bruce Maxwell, Pastor

"Except the Lord build the house, they labour in vain that build it."

-Psalm 127:1

January 5, 2015

Ms. Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the Pastor of a large church in South Nashville, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). This hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

H. Bruce Maxwell

Pastor



January 5, 2015

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the owner of Caliente Consulting, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bilingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

Cristina O. Allen

Princiapl Owner

Caliente Consulting, Ilc.



January 5, 2015

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the owner and CEO of Lee Company, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth of South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital also formed a partnership with the YMCA, offering Y service on the hospital campus to the residents, patients, and employees of South Nashville. The hospital continues to form strategic partnerships with local businesses to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely

Bill Lee, CEO Lee Company



January 2nd, 2015

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the CEO of the Nashville Zoo, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

President & CEO

Our Mission: Inspiring a culture of understanding and discovery of our natural world through conservation, innovation and leadership



3801 Nolensville Road • Nashville, TN 37211 • (615) 333-9673 steve@basstire.com aaron@basstire.com

January 2, 2015

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the owner of Bass Tire Company, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

Steve Bass, owner Bass Tire Company

7.Ban



January 02, 2015

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As a South Nashville businessman, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital also formed a partnership with the YMCA, offering Y service on the hospital campus to the residents, patients, and employees of South Nashville. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely

Ben Freeland Freeland Chevrolet



Auto Masters, LLC

4601 Nolensville Rd Nashville, TN 37211 O: 615-331-8899 F: 615-331-8895

January 2, 2015

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, Ninth Floor 502 Deaderick Street Nashville, TN 37243

RE: Proposed TriStar Expansion

Dear Ms. Hill:

As the owner of Auto Masters, I fully support the proposed TriStar Southern Hills expansion. Our neighborhoods continue to grow, and quality health care is becoming less accessible. TriStar Southern Hills has been instrumental in the continued growth in South Nashville and has engaged in several strategies to form positive connections with this growing, diverse community. For example, TriStar Southern Hills formed a partnership with Neighborhood Health (formerly United Neighborhood Health Care Services). The hospital offers the clinic an "in-kind" lease agreement and subsidizes the operations of the clinic to ensure primary care services are available to all those in need. To date, TriStar Southern Hills Medical Center is the only hospital in the city broadcasting bi-lingual signage on the exterior of the ER main signage. The hospital continues to form strategic partnerships with local business's to ensure positive growth of health care service offerings to the residents surrounding the hospital.

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When the Health Services and Development Agency meets in February and March of 2015, I urge you to approve TriStar's certificate of need applications.

Sincerely,

Mark Janbakhsh, CEO

Auto Masters

AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY:

SOUTHERN HILLS SUKSERY CONTER

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 11th day of broacy, 2015, witness my hand at office in the County of DAVIDSON, State of Tennessee.

NOTARY PUBLIC

My commission expires $\frac{7/2}{2018}$

HF-0043